

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into) DOCKET NO. 930611-EI
deferral of implementation of) ORDER NO. PSC-93-1076-FOF-EI
any change to methodology used) ISSUED: 7/26/93
in establishing current)
depreciation, dismantlement, and)
decommissioning rates to Florida)
Power and Light Company's next)
general base rate proceeding.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER DENYING DEFERRAL OF CHANGE IN METHODOLOGY TO ESTABLISH DEPRECIATION, DISMANTLEMENT AND DECOMMISSIONING 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 November 12, 1992, we issued Order No. PSC-92-1303-FOF-EI requiring that FPL file an updated comprehensive depreciation study by June 1993. We required the new study in an effort to recognize the catastrophic effects of Hurricane Andrew. On November 30, 1992, FPL filed a request that we waive the June 1993 comprehensive depreciation study deadline. We granted FPL's request and by Order No. PSC-93-0211-FOF-EI, FPL is required to file a depreciation study covering production, transmission, distribution and general plant with a January 1, 1994 implementation date in December 1993. In December 1994, FPL is to file its nuclear decommissioning and fossil fuel dismantlement studies. These studies will have a January 1, 1995 implementation date.

DOCKETED IN DATE

07379 JUL 28

On June 17, 1993, FPL requested that it be allowed to defer the implementation of any change to the methodology used in establishing FPL's current depreciation, dismantlement, and decommissioning rates and accruals until FPL's next general base rate proceeding. We believe this issue is before us prematurely. At this time, we have no knowledge of what will be contained in FPL's studies: what FPL may propose, what Staff will recommend or what the financial impact of a change in depreciation rates may have upon the company. Changes in methodology may lead to higher or lower expenses. At this time, the phrase "change in methodology" is undefined. In addition, since we do not know when FPL intends to file a rate case we do not know how long the deferral will be. We cannot make a decision based upon so few facts.

We believe that depreciation rates should be based upon sound principals of accounting and economics and should not be earnings driven. Implementation of well founded changes in methodology should not be deferred if intergenerational inequity would result. Until we receive the results of the depreciation, dismantlement and decommissioning studies being undertaken by FPL, determination of this issue would be premature.


It is therefore

ORDERED by the Florida Public Service Commission that the request of Florida Power and Light Company to defer implementation of any change in methodology used in establishing depreciation, dismantlement and decommissioning rates and accruals is hereby denied. 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.

ORDER NO. PSC-93-1076-FOF-EI
DOCKET NO. 930611-EI
PAGE 3

By ORDER of the Florida Public Service Commission, this 26th
day of July, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MAP:bmi

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 August 16, 1993.

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.

ORDER NO. PSC-93-1076-FOF-EI
DOCKET NO. 930611-EI
PAGE 4

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 wastewater 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.