

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Change in allowance for) DOCKET NO. 940671-TL
funds used during construction) ORDER NO. PSC-94-0945-FOF-TL
(AFUDC) rate from 8.57% to 8.39%) ISSUED: August 2, 1994
for GTE FLORIDA INCORPORATED.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER CHANGING ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION
RATE FOR GTE FLORIDA, INCORPORATED

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

GTE Florida, Incorporated (GTEFL) was ordered to use an annual rate of 8.57% for calculating Allowance for Funds Used During Construction (AFUDC) by Order No. 22999, issued on May 29, 1990, in Docket No. 880413-PU. In October 1993, GTEFL refinanced a significant portion of its long term debt, thereby reducing the overall cost of capital upon which the AFUDC rate is based. The company's AFUDC rate calculations submitted with the December 1993 earnings surveillance report shows an annual rate lower than GTEFL's authorized rate. The Commission staff requested the company to submit revised calculations based on the most current capital structure, incorporating the amortization of refinancing costs ordered in Order No. PSC-94-0439-FOF-TL, issued April 12, 1994. The submitted calculations were based on GTEFL's March 1994 capital structure, the most current available, and incorporated our recent decision on the refinancing costs.

DOCUMENT NUMBER-DATE

07841 AUG-25

FPSC-REGULATORY REPORTING

ORDER NO. PSC-94-0945-FOF-TL
DOCKET NO. 940671-TL
PAGE 2

Rule 25-4.0171, Florida Administrative Code, allows the Commission, on its own motion, to initiate a proceeding to revise a company's AFUDC rate. Based on our review of the calculations submitted by GTEFL, we find that the annual AFUDC rate shall be revised from 8.57% to 8.39%, beginning on September 1, 1994.


GTEFL had an average balance of long term telephone plant under construction (TPUC) of \$8,239,000 for the twelve months ending March 31, 1994, as shown in the most recent earnings surveillance report. The change in the annual AFUDC rate will reduce the annual AFUDC revenue by \$14,830, based on the average March balance of TPUC.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that the annual Allowance for Funds Used During Construction rate for GTE Florida, Incorporated shall be changed from 8.57% to 8.39% effective September 1, 1994. It is further

ORDERED that this Order shall become final and effective and this docket shall be closed on the date set forth below if no timely protest is filed pursuant to the requirements set forth below.

By ORDER of the Florida Public Service Commission, this 2nd day of August, 1994.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

DLC

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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 23, 1994.

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 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.