

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for depreciation class and rate  
for automobiles, by Gulf Power Company.

DOCKET NO. 120059-EI  
ORDER NO. PSC-12-0300-PAA-EI  
ISSUED: June 11, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
EDUARDO E. BALBIS  
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING DEPRECIATION CLASS  
AND RATE FOR AUTOMOBILES

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 (F.A.C.).

BACKGROUND

Pursuant to Rule 25-6.0436(3)(a), F.A.C., electric utilities are required to maintain depreciation rates and accumulated depreciation reserve in accounts or subaccounts as prescribed in Rule 25-6.014(1), F.A.C. Rule 25-6.0436(3)(b), F.A.C., provides that “[u]pon establishing a new account or subaccount classification, each utility shall request Commission approval of a depreciation rate for the new plant category.” On March 22, 2012, Gulf Power Company (Gulf or Company) filed its request, in accordance with this rule, for a new depreciation classification and rate for automobiles. The Commission has jurisdiction in this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

DECISION

Gulf explains in its petition that it currently does not have a depreciation classification or rate for automobiles. Gulf purchased two Ford Fiesta vehicles at a cost of approximately \$15,000 per vehicle; it took delivery of the vehicles in April 2012.

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

Gulf proposes a depreciation classification of Account 392-4110 – Automobiles. The account number, 392-4110, is the account number Gulf used in the past for automobiles. We agree with this classification.

Gulf proposes a seven-year average service life (ASL) and 15 percent net salvage (NS) for automobiles. These proposed parameters result in a 12.1 percent whole life depreciation rate. Gulf's proposed ASL and NS are, respectively, within the range of and identical to the parameters that underlie the automobile depreciation rates for this same account for Florida Power & Light Company (six-year ASL and 15 percent NS) and Florida Public Utility Company (seven-year ASL and 15 percent NS). Staff agrees with Gulf's proposed ASL and NS.

We note that the new automobile classification will be included in Gulf's next depreciation study, scheduled to be filed in 2013.

On the basis of the foregoing, we hereby approve a new depreciation classification, Account 392-4110 – Automobiles, and a whole life depreciation rate of 12.1 percent for automobiles.

Depreciation is the recovery of invested capital representing equipment that is providing service to the public. This recovery is designed to take place over the related period of service to the public, which begins with the equipment's in-service date. The new depreciation classification, Account 392-4110 - Automobiles, and the whole life depreciation rate of 12.1 percent shall be implemented effective with the in-service date of the vehicles.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we hereby approve a new depreciation classification, Account 392-4110 – Automobiles, and a whole life depreciation rate of 12.1 percent for automobiles. It is further

ORDERED that the new depreciation classification, Account 392-4110 - Automobiles, and the whole life depreciation rate of 12.1 percent shall be implemented effective with the in-service date of the vehicles. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 11th day of June, 2012.



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ANN COLE  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CMK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 2, 2012.

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In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.