

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of MARTIN DOWNS)	DOCKET NO. 890414-WS
UTILITIES, INC. for approval of AFUDC)	ORDER NO. 21238
rates in Martin County.)	ISSUED: 5-16-89
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING AFUDC 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 substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

On March 20, 1989, Martin Downs Utilities, Inc. (Martin Downs) filed an application for approval of a 12.96% Allowance for Funds Used During Construction (AFUDC) rate. This is the first request by this utility for an AFUDC rate. The filing is pursuant to Rule 25-30.116, Florida Administrative Code. The application satisfied the minimum filing requirements and March 20, 1989 was established as the official filing date.

Martin Downs calculated its AFUDC rate in accordance with Rule 25-30.116(2)(a), Florida Administrative Code, using the most recent 12-month average embedded cost of capital from all sources. Martin Downs' capital structure is comprised entirely of long term debt and customer deposits. There is no equity component due to negative retained earnings. Pursuant to Rule 25-30.116(2)(b), Florida Administrative Code, the utility used the most recent 12-month average cost of customer deposits, and the cost of long term debt at the end of such 12-month period. Since Martin Downs calculated the AFUDC rate in accordance with the rule, no adjustments are necessary. A schedule reflecting the calculation of the AFUDC rate is attached to this Order.

Rule 25-30.116(5), Florida Administrative Code, provides that the AFUDC rate shall become effective the month following the end of the 12-month period used to establish that rate. Since the 12-month period ended on December 31, 1988, the AFUDC rate shall be effective for eligible projects as of January 1, 1989.

Based on the foregoing, it is hereby

ORDERED by the Florida Public Service Commission that the application of Martin Downs Utilities, Inc. for establishment of a 12.96% AFUDC rate is approved. It is further

DOCUMENT NUMBER-DATE

04815 MAY 16 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21238
DOCKET NO. 890414-WS
PAGE 2

ORDERED that the AFUDC rate shall be effective for eligible projects as of January 1, 1989.

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition in the form provided by Rule 25-22.36, Florida Administrative Code, is 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 June 6, 1989.

By ORDER of the Florida Public Service Commission
this 16th day of MAY, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

DCS

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 June 6, 1989. In the absence of such a petition, this order shall become effective June 7, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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 June 7, 1989, 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

ORDER NO. 21238
DOCKET NO. 890414-WS
PAGE 3

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.

Martin Downs Utilities, Inc.
 Commission Approved AFUDC Rate
 12-Month Period Ended December 31, 1988

Schedule No. 1
 Docket No. 890414-WS

Class of Capital	Average Capital Structure	Adjustments	Adjusted Capital Structure	Percent of Capital	Cost Rates	Weighted Cost	Discounted Monthly Rate
Common Equity	0		0	0.00X	0.00X	0.00X	
Long-term Debt	9,847,022		9,847,022	99.23X	13.00X	12.90X	
Short-term Debt	0		0	0.00X	0.00X	0.00X	
Customer Deposits	76,806		76,806	0.77X	8.00X	0.06X	
Inx Credits - Zero Cost	0		0	0.00X	0.00X	0.00X	
Deferred Income Taxes	0		0	0.00X	0.00X	0.00X	
Total	9,923,828	0	9,923,828	100.00X		12.96X	1.020801X

ORDER NO. 21238
 DOCKET NO. 890414-WS
 PAGE 4