

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval to ) DOCKET NO. 930833-EI  
reduce allowance for funds used ) ORDER NO. PSC-93-1789-FOF-EI  
during construction (AFUDC) rate ) ISSUED: December 14, 1993  
from 8.03% to 7.27% effective )  
7/1/93 by GULF POWER COMPANY. )  
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The following Commissioners participated in the disposition of this matter:

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

**NOTICE OF PROPOSED AGENCY ACTION**  
**ORDER APPROVING REVISED ALLOWANCE FOR FUNDS**  
**USED DURING CONSTRUCTION RATE FOR GULF POWER COMPANY**

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.

Gulf Power Company (Gulf) has requested a reduction in its Allowance for Funds Used During Construction (AFUDC) rate from 8.03% to 7.27%. The rate was calculated in accordance with Rule 25-6.0141, Florida Administrative Code (F.A.C.). The AFUDC rate calculation and supporting data have been audited and verified by Commission staff. The change from 8.03% to 7.27% reflects reductions in the cost rates of Gulf's capital structure components. The cost of each of Gulf's investor supplied sources of funds, which include common equity, preferred stock, long-term debt, and short-term debt, have declined since the last AFUDC rate was established.

Therefore, we find that the appropriate AFUDC rate for GPC is 7.27% resulting from a 13-month average capital structure for the period ending June 30, 1993.

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Reducing the AFUDC rate from 8.03% to 7.27% will result in a lower AFUDC accrual. Based on the projected level of Construction Work in Progress eligible for AFUDC, the 1993 annual accrual will be decreased by \$41,000.

We find that the appropriate monthly compounding rate to maintain a simple rate of 7.27% is 0.586537%.

The AFUDC rate was calculated using a 13-month average capital structure for the period ending June 30, 1993. Rule 25-6.0141(5), F.A.C., provides "...[t]he new AFUDC rate shall be effective the month following the end of the 12-month period used to establish that rate...." Since June 30, 1993 was used as the closing date to calculate the rate, we find that the effective date for the new rate is July 1, 1993.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Gulf Power Company's request to reduce its Allowance for Funds Used During Construction Rate from 8.03% to 7.27% is approved. It is further

ORDERED that the monthly compounding rate to achieve an annual AFUDC rate of 7.27% is 0.586537%. It is further

ORDERED that this change shall be effective July 1, 1993. It is further

ORDERED that if there is no protest to this proposed agency action within the time frame set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 14th day of December, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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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 January 4, 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.