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February 24, 1995

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: Docket No. 940620-GU
Application for a rate increase by FLORIDA PUBLIC UTILITIES
COMPANY.

Dear Ms. Bayo:

Enclosed on behalf of Florida Public Utilities Company for
filing in the above docket are an original and 15 copies of its
Motion for Leave to File Supplemental Rate Base Testimony and
Exhibits.

Please acknowledge receipt of the foregoing by stamping the
enclosed extra copy of this letter and returning same to my
attention. Thank you for your assistance.

Sincerely,

Wayne L. Schiefelbein
Wayne L. Schiefelbein

- ACK
- AFA
- APP _____
- CAF Pruitt
- CMU _____
- CTR _____
- EAG McCormick-S
- LEG 1 WLS/l dv
- 1 Enclosures
- LIN 4
- OPC _____
- RCH _____
- SEC 1
- WAS _____

OTHER RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
02197 FEB 24 95
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate) Docket No. 940620-GU
increase by FLORIDA PUBLIC)
UTILITIES COMPANY) Filed: February 24, 1995

MOTION FOR LEAVE TO FILE SUPPLEMENTAL
RATE BASE TESTIMONY AND EXHIBITS

Florida Public Utilities Company (FPUC), by and through its undersigned counsel, hereby requests leave to file supplemental prefiled direct testimony and exhibits regarding rate base, and in support states the following:

1. On September 23, 1994, FPUC submitted its application for a rate increase, and the Minimum Filing Requirements (MFRs) and prefiled direct testimony in support of its application. On February 16, 1995, FPUC filed supplemental direct testimony and exhibits, pursuant to Order No. PSC-95-0219-PCO-GU. This latter testimony addressed certain corrections and modifications to its originally filed cost of service analysis.

2. As part of its originally-filed MFRs and prefiled direct testimony, FPUC presented its rate base calculations for the calendar 1993 base year, the calendar 1994 intermediate year, and the calendar 1995 projected test year. Please see MFRs Volume 2, Section G - Projected Test Year Schedules; Volume 3, Section B, Rate Base Schedules; Volume 1, Direct Testimony and Exhibits of George M. Bachman, pp. 1 - 12, and Cheryl M. Martin, pp. 13 - 23.

3. Following the recent closing of its books for calendar 1994, and receipt and analysis of the Staff Audit Report in this proceeding, it has come to FPUC's attention that its rate base

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calculations for the 1994 intermediate year and the 1995 projected test year require corrections and modifications. In total, these adjustments represent a net increase to the 13-month average rate base for the 1995 projected test year of \$932,644. The specific adjustments are estimated as follows:

Missing 1995 Construction	\$526,137
Replacing 1994 Projections with 1994 Actual Figures	535,835
Delay in Construction of General Office Addition	(98,864)
Change in 1995 Depreciation Rates (Reserve for Depreciation)	47,558
Reallocation of Non-Regulated Plant	(49,083)
Cost Advances for Construction	<u>(28,939)</u>
Change in Rate Base (13 month-average)	\$932,644

4. Accordingly, FPUC requests leave to submit supplemental prefiled testimony and exhibits of George M. Bachman and/or Cheryl M. Martin, which would reflect the resulting rate base calculation and its effect on net operating income in this proceeding.

5. Such supplemental testimony and exhibits would avoid confusion and promote an orderly examination of this subject matter at the hearing for this rate case.

6. FPUC is preparing such supplemental testimony and exhibits at this time. Such testimony and exhibits are anticipated to be ready for filing by March 3, 1995.

7. The undersigned counsel has consulted with Staff Counsel Vicki D. Johnson. Ms. Johnson indicated that Staff would not

oppose this motion, but only under a series of conditions. Those conditions are that, as necessary, 1) Mr. Bachman and Ms. Martin, whose depositions are scheduled to be held on March 6, 1995, will be made available for a second deposition to address the subject matter of their supplemental testimony and exhibits; 2) Staff will be given a reasonable opportunity to submit prefiled testimony rebutting such supplemental testimony and exhibits; 3) Staff will be given a reasonable opportunity to submit additional interrogatories and/or document requests regarding such supplemental testimony and exhibits, with an accelerated response time thereto. Although no specific timetable has heretofore been discussed between counsel for the foregoing, it is mutually understood that such activities may well extend beyond the existing March 17, 1995 discovery completion date currently established for this proceeding by Order No. PSC-95-1485-PCO-GU. FPUC agrees to such conditions.

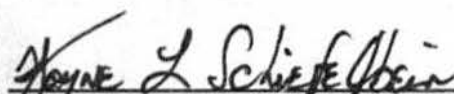
8. FPUC submits that under the stipulated conditions set forth hereinabove, granting this motion would cause no prejudice to Staff in this case, and no delay in the scheduled prehearing conference or hearing would be necessitated.

9. Finally, FPUC wishes to assure the Commission and its Staff that notwithstanding the adjustments discussed hereinabove, the requested revenue requirement and rates remain unaffected.

Wherefore, Florida Public Utilities Company requests leave to submit prefiled supplemental direct testimony and exhibits of George M. Bachman and/or Cheryl M. Martin addressing the rate base

adjustments, as discussed hereinabove, by March 3, 1995.

Respectfully submitted,



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(904) 877-7191

Attorneys for Florida Public
Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that Florida Public Utilities Company's Motion for Leave to File Supplemental Rate Base Testimony and Exhibits has been furnished on this 24th day of February, 1995 by hand-delivery to VICKI D. JOHNSON, ESQ., Division of Legal Services, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0863.


WAYNE L. SCHIEFELBEIN