

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

MAY 30, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF AUDITING & FINANCIAL ANALYSIS (JOHNSON) *PSK*
DIVISION OF ELECTRIC & GAS (MILLS) *1996*
DIVISION OF LEGAL SERVICES (CULPEPPER) *JDJ*

RE: DOCKET NO. 960595-GU - SEBRING GAS SYSTEM, INC. - REQUEST
FOR WAIVER OF RULE REQUIREMENTS THAT CAPITAL RECOVERY
STUDY BE SUBMITTED ON OR BEFORE 04/30/96, AND FOR DELAYED
FILING DATE BY SEBRING GAS SYSTEM, INC.

AGENDA: 06/11/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: s:\PSC\APA\WP\960595.RCM

CASE BACKGROUND

Sebring Gas System, Inc.'s (Sebring or the Company) initial depreciation rates were established in Docket No. 910873-GU, with an effective date of January 1, 1992. Rule 25-7.045, Florida Administrative Code, requires gas companies to file a comprehensive depreciation study at least once every five years from the submission date of the previous study unless authorized to do otherwise by the Commission. In accord with this Rule, Sebring's next depreciation study was due on or before April 30, 1996. On May 8, 1996, the Company filed a request for a waiver of the Rule and an extension of the filing date. Sebring has filed this request to give the Company additional time to coordinate with its outside C.P.A. firm.

DOCUMENT NUMBER-DATE

05916 MAY 30 1996

FPSC-RECORDS/REPORTING

DOCKET NO. 960595-GU
DATE: MAY 30, 1996

DISCUSSION OF ISSUES

ISSUE 1: Should the petition of Sebring Gas System, Inc. for a waiver of Rule 25-7.045, Florida Administrative Code, and for a delayed filing of its 1996 depreciation study be approved?

RECOMMENDATION: Yes. The Commission should grant the Company's request for an extension of time to file its study no later than June 30, 1996. (JOHNSON)

STAFF ANALYSIS: The Company's initial depreciation rates were established in January 1992. In accordance with Rule 25-7.045, Florida Administrative Code, its next comprehensive study was due on April 30, 1996. On May 6, 1996, Sebring requested a waiver of the Rule and a delay of the filing date for two months.

Sebring requested a delayed filing date to permit it additional time to work with its C.P.A. firm. Due to a heavy tax season facing the firm, an extension would allow Sebring and the firm additional time to determine the optimal depreciation rates for Sebring. Staff recommends that the Company be allowed to submit its study no later than June 30, 1996.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: If no person, whose substantial interests are affected by the Commission's proposed agency action, timely files a protest within twenty-one days, this docket should be closed. (JOHNSON, CULPEPPER)

STAFF ANALYSIS: If no person, whose substantial interests are affected, files a timely request for a Section 120.57, Florida Statutes, hearing within twenty-one days, no further action will be required and this docket should be closed.

LAW OFFICES
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May 20, 1996

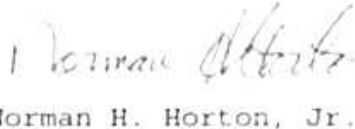
Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 960595-GU

Dear Ms. Bayo:

Please add this firm to the mailing list for Docket No. 960595-GU directing all pleadings, orders, notices, or other materials to the undersigned. Thank you for your assistance in this matter.

Yours very truly,


Norman H. Horton, Jr.

NHH/amb

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