**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)**

 **DIVISION OF ELECTRIC & GAS (MILLS)**

 **DIVISION OF LEGAL SERVICES (CULPEPPER)**

**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: I:\PSC\AFA\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.

 **DISCUSSION OF ISSUES**

**ISSUE :** 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 :** 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.

**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)

**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)