

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 2, 1997

RE: DOCKET NO. 970537-EI - 1997 depreciation study by Florida Public Utilities Company, Marianna Division.

Issue 1: Should the current depreciation rates for Florida Public Utilities Company - Marianna Electric Division (FPU or company) be changed? Recommendation: Yes. A review of the company's plans and activity indicates the need for revising depreciation rates.

APPROVED

Issue 2: What should be the implementation date for the recommended rates? Recommendation: Staff recommends approval of the company's proposed January 1, 1998 date of implementation for the new rates.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners: Joe Garcia, [unclear], Jim Dean, [unclear], Susan J. Clark

Empty lines for dissenting signatures

DOCUMENT NUMBER - DATE

12495 DEC-56

REC-RECORDS/REPORTING

REMARKS/DISSENTING COMMENTS: Commissioner Clark participated in the vote via 2-way conference call. In her oral vote, she AGREED WITH THE MAJORITY DISSENTED. Commissioner Clark will sign the original vote sheet upon her return to Tallahassee.

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Issue 3: Should any corrective reserve transfers be made?

Recommendation: Yes. Staff-recommended corrective measures are shown on Attachment A, page 13 of staff's 11/20/97 memorandum. This action will bring each affected account's reserve more in line with its calculated theoretical level.

APPROVED

Issue 4: What are the appropriate recovery schedules?

Recommendation: The staff-recommended recovery schedule is shown on Attachment C, page 15 of staff's memorandum. This three-year schedule is designed to recover the net investment associated with the company's two-way communication equipment planned for retirement by December 31, 2000.

APPROVED

Issue 5: What are the appropriate depreciation rates?

Recommendation: The staff- and company-recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B, page 14 of staff's memorandum. The result is an increase in annual depreciation expense of approximately \$79,000, based on estimated January 1, 1998 investments, as shown on Attachment C, page 15 of staff's memorandum.

APPROVED

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Issue 6: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates?

Recommendation: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes should be revised to reflect the approved depreciation rates and recovery schedules. Also, the utility should be required to file detailed calculations of the revised ITC amortization and flowback of excess deferred taxes at the same time it files its December 1998 surveillance report.

APPROVED

Issue 7: Should FPU's request to amortize the net gain associated with the sale of its warehouse and associated land over a period of four years be approved?

Recommendation: Yes. Staff recommends that the net gain of \$41,554 be amortized over ~~four~~ years beginning January 1, 1998. Further, staff recommends that \$2,446 of the sale proceeds be recorded as gross salvage against the retirement of the retiring warehouse building.

file

MODIFIED

Issue 8: Should FPU's request to amortize the gain from the sale of its hydraulic plant over a four-year period be approved?

Recommendation: Yes. The net gain of ~~\$10,000~~ should be amortized over four years beginning January 1, 1998.

72,022

MODIFIED

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Issue 9: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within twenty-one days of issuance of the order, this docket should be closed.

APPROVED