

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 15, 1998

RE: DOCKET NO. 981678-EI - Investigation into 1997 earnings in the Fernandina Beach Division of Florida Public Utilities Company.

Issue 1: What is the appropriate rate base for Florida Public Utilities Company - Fernandina Beach Division for determining the amount of excess earnings for 1997?

Recommendation: The appropriate rate base for Florida Public Utilities Company - Fernandina Beach Division for determining the amount of excess earnings for 1997 is \$15,676,617.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

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Luan Clark

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REMARKS/DISSENTING COMMENTS:

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NOTE SHEET

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Issue 2: What is the appropriate overall rate of return for Florida Public Utilities Company - Fernandina Beach Division for determining the amount of excess earnings for 1997?

Recommendation: The appropriate overall rate of return for Florida Public Utilities Company - Fernandina Beach Division for measuring the amount of excess earnings for 1997 is 8.98%, based on the ROE cap of 12.60% and a 13-month average capital structure for the period ending December 31, 1997.

APPROVED

Issue 3: What is the appropriate net operating income (NOI) for Florida Public Utilities Company - Fernandina Beach Division for determining the amount of excess earnings for 1997?

Recommendation: The appropriate NOI for Florida Public Utilities Company - Fernandina Beach Division for determining the amount of excess earnings for 1997 is \$1,559,020.

APPROVED

Issue 4: What is the amount of excess earnings for Florida Public Utilities Company - Fernandina Beach Division for 1997?

Recommendation: The amount of excess earnings for Florida Public Utilities Company - Fernandina Beach Division for 1997 is \$241,289 plus interest of \$6,856 for a total of \$248,145.

APPROVED

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Issue 5: What is the appropriate disposition of the 1997 excess earnings of Florida Public Utilities Company - Fernandina Beach Division?

Recommendation: The total amount of 1997 excess earnings of \$241,289, plus interest of \$6,856, should be applied to the Florida Public Utilities Company - Fernandina Beach Division's Storm Damage Reserve. The effective date for booking the overearnings should be January 1, 1998, for ratemaking, earnings surveillance, and overearnings review purposes.

APPROVED

Issue 6: Should this docket be closed?

Recommendation: This docket should be closed if no person whose substantial interests are affected by the proposed action files a protest within the 21-day protest period.

APPROVED