

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) *APC*  
DIVISION OF COMMUNICATIONS (REITH) *RS*  
DIVISION OF LEGAL SERVICES (EDMONDS) *Edmonds*

RE: DOCKET NO. 960630-TL - INDIANTOWN TELEPHONE SYSTEM, INC.  
- REQUEST FOR WAIVER OF RULE REQUIREMENTS THAT CAPITAL  
RECOVERY STUDY BE SUBMITTED ON OR BEFORE 05/31/96, AND  
FOR DELAYED FILING DATE BY INDIANTOWN TELEPHONE SYSTEM,  
INC.

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

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\AFA\WP\960630.RCM

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CASE BACKGROUND

Indiantown Telephone System, Inc. (Indiantown or the Company) filed its last depreciation study on December, 1992 with an effective date of January 1, 1993. Rule 25-4.0175(8)(a), Florida Administrative Code, requires telephone companies to file a comprehensive depreciation study at least once every three years from the submission date of the previous study unless authorized by the Commission. In accordance with this Rule, Indiantown's next depreciation study was due on or before December 31, 1995. In Docket No. 951147-TL, Indiantown's request to delay filing its study until May 31, 1996 was approved.

On May 17, 1996, the Company indicated that its initial request for extension should have been June 30, 1996. This would eliminate the need for the Company to file a depreciation study in the event that it chooses price regulation, within the first six months that the new Florida law is in effect.

DOCUMENT NUMBER-DATE

05920 MAY 30 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960630-TL  
DATE: MAY 30, 1996

### DISCUSSION OF ISSUES

**ISSUE 1:** Should the petition of Indiantown Telephone Systems, Inc. for a waiver of Rule 25-4.0175(8)(a), Florida Administrative Code, and for a delayed filing of its 1995 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 last depreciation study was filed in December 1992. In accordance with Rule 25-4.0175(8)(a), Florida Administrative Code, its next comprehensive study was due on December 31, 1995. In March 1996, Indiantown requested a waiver of the Rule and petitioned for a five month delayed filing date in light of pending rule changes regarding capital recovery. However, in May 1996, the Company indicated that the requested delay should have been until June 30, 1996. This would eliminate the need for the Company to file a depreciation study in the event it elects price regulation within the first six months that the new Florida law is in effect. This date also would allow Indiantown to take advantage of pending streamlined capital recovery procedures. Staff recommends that the Company be allowed to submit its study no later than June 30, 1996 with a January 1, 1996 implementation date for new rates.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If Issue 1 is approved, no further action will be required, and this docket should be closed. (JOHNSON, EDMONDS)

**STAFF ANALYSIS:** Provided Issue 1 is approved, no further action will be required, and this should be closed.