when a pending request to reopen is supplemented, not only must the 120 day statutory period for the Commission's consideration be restarted, but the entire refiled request, as supplemented, will generally be placed on the public record for comments as provided in Rule 2.51(c).

This statement of policy does not preclude the Commission's staff from asking requesters to provide documents or other additional information in order to clarify the arguments and factual claims made in connection with the requests to reopen. The staff may, at any time, also seek from third parties information concerning such requests. The supplying of such information will not affect the Commission's obligation to decide a request within 120 days of the date it was filed. However, where supplemental information supplied by a Requester is necessary to show that changed conditions or the public interest require modification, refiling of the request will be necessary. Generally, supplemental information will require refiling when the Request does not address an issue necessary to finding that modification is required or when the information in the request is too conclusory to warrant modification of a final order. The determination whether supplemental information is essential to show that modification is required will depend on the facts of the particular case and necessarily must be decided on a case-by-case basis. Of course, requesters retain the right to have the Commission act on requests to reopen as originally filed, without consideration of any additional information.

In summary, except as provided above the Commission will not consider supplemental information provided after a request to reopen has been filed unless the requester, in writing, asks the Commission to consider the request withdrawn and refiled as of the time the supplemental information is submitted to the Commission.[4] In that case, the Commission will again place the request, including the supplementary materials, on the public record in accordance with Rule 2.51(c). The Commission will consider the original petition and supplementary materials, any additional public comments filed in response to the original petition as well as any comments filed in response to the amended request. The Commission will also consider, without requiring the refiling of a request, a reply by the requester made in response to any comments if it is filed within 10 days of the close of the comment period and if it does not exceed the scope of the comments.[5]

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[4] In the event a requester should, during the 120-day period, decide to modify its request to reopen to seek only part of the relief originally requested, while rescinding other parts of the request, refiling of the request will not be necessary unless the Commission determines that it would be in the public interest to do so.

[5] This statement of policy is intended only to provide general guidance and information. When time, circumstances, or the public interest require, this statement may be amended or superseded by subsequent Commission action without prior notice. This statement is not a rule or regulation. It does not modify the scope or coverage of any provision of the Federal Trade Commission Act or the Commission's Rules of Practice.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 37

[Docket No. RM87-35-000]

Generic Determination of Rate of Return on Common Equity for Public Utilities

October 14, 1988.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Notice of benchmark rate of return on common equity for public utilities.

SUMMARY: In accordance with § 37.5 of its regulations, the Federal Energy Regulatory Commission, by its designee, the Director of the Office of Economic Policy, issues the update to the "advisory" benchmark rate of return on common equity applicable to rate filings made during the period November 1988 through January 1989. This benchmark rate is set at 12.44 percent.

EFFECTIVE DATE: November 1, 1988.

FOR FURTHER INFORMATION CONTACT: Marvin Rosenberg, Office of Economic Policy, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC, 20426, (202) 357-8283.

SUPPLEMENTARY INFORMATION:

Benchmark Rate of Return on Common Equity for Public Utilities

Issued October 14, 1988.

On January 27, 1988, the Federal Energy Regulatory Commission (Commission) issued a final rule which readopted the quarterly indexing procedure for establishing and updating the benchmark rate of return on common equity applicable to electric rate filings.[1] Based on this procedure, the Commission, by its designee, the Director of the Office of Economic Policy, determines that the benchmark rate of return on common equity applicable to rate filings made during the period November 1, 1988 through January 31, 1989, is 12.44 percent.

Section 37.9 of the Commission's regulations [2] requires that the quarterly benchmark rate of return be set equal to the average cost of common equity for the jurisdictional operations of public utilities. This average cost is based on the average of the median dividend yields for the two most recent calendar quarters for a sample of 99 utilities.[3] The average yield is used in the following formula with fixed adjustment factors (determined in the most recent annual proceeding) to determine the cost rate:

$$k_t = 1.02\ Y_t + 4.36$$

where k_t is the average cost of common equity and Y_t is the average dividend yield.

The attached appendix provides the supporting data for this update. The median dividend yields for the 99-company sample of utilities for the second an third quarters of 1988 are 7.91 and 7.92 percent, respectively. The average yield for those two quarters is 7.92 percent. Use of the average dividend yield in the above formula produces an average cost of common equity of 12.44 percent.

This notice supplements the generic rate of return rule announced in Order No. 489, issued January 29, 1988 and effective on February 1, 1988.

List of Subjects in 18 CFR Part 37

Electric power rates, Electric utilities, Reporting and recordkeeping requirements.

In consideration of the foregoing, the Commission amends Part 37, Chapter I, Title 18 of the *Code of Federal Regulations*, as set forth below, effective November 1, 1988.

Bernard W. Tenenbaum,

Acting Director, Office of Economic Policy.

[1] Generic Determination of Rate of Return on Common Equity for Public Utilities, Order No. 489, 53 FR 3342 (February 5, 1988), III FERC Stats. and Regs. 30,795 (January 29, 1988).

[2] 18 CFR 37.9 (1987).

[3] As a result of the acquisition of Savannah Electric and Power Company by the Southern Company, the Commission has reduced the number of companies in the sample for the most recent quarter to 99. It has made this change in accordance with the criteria for inclusion in the sample specified in 18 CFR 37.9(c) (1987).

PART 37—GENERIC DETERMINATION OF RATE OF RETURN ON COMMON EQUITY FOR PUBLIC UTILITIES

1. The authority citation for Part 37 continues to read as follows:

Authority: Federal Power Act, 16 U.S.C. 791a–825r (1982); Department of Energy Organization Act, 42 U.S.C. 7101–7352 (1982).

2. In § 37.9, paragraph (d) is revised to read as follows:

§ 37.9 Quarterly indexing procedure

* * * * *

(d) *Table of Quarterly Benchmark Rates of Return.*

The following table presents the quarterly benchmark rates of return on common equity:

Benchmark applicability period	Dividend increase adjustment factor	Expected growth adjustment factor	Current dividend yield	Cost of common equity	Benchmark rate of return
(t)	(a)	(b)	(Y_t)	(k_t)	
2/1/86–4/30/86	1.02	4.54	9.03	13.75	13.75
5/1/86–7/31/86	1.02	4.54	8.37	13.08	13.25
8/1/86–10/31/86	1.02	4.54	7.49	12.18	12.75
11/1/86–1/31/87	1.02	4.54	6.75	11.43	12.25
2/1/87–4/30/87	1.02	4.63	6.44	11.20	11.20
5/1/87–7/31/87	1.02	4.63	6.54	11.30	11.30
8/1/87–10/31/87	1.02	4.63	6.97	11.74	11.74
11/1/87–1/31/88	1.02	4.63	7.49	12.27	12.27
2/1/88–4/30/88	1.02	4.36	7.90	12.42	12.42
5/1/88–7/31/88	1.02	4.36	7.99	12.51	12.51
8/1/88–10/31/88	1.02	4.36	7.84	12.36	12.36
11/1/88–1/31/89	1.02	4.36	7.92	12.44	12.44

Note: The appendix will not be published in *Code of Federal Regulations*

Appendix

Exhibit No.	Title
1	Initial sample of utilities.
2	Utilities excluded from the sample for the indicated quarter due to either zero dividends or a cut in dividends for this quarter or the prior three quarters.
3	Annualized dividend yields for the indicated quarter for utilities retained in the sample.

Source of data: Standard and Poor's Compustat Services, Inc., Utility COMPUSTAT II Quarterly Data Base.

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Exhibit 1

Sample of Utilities

Utility	Ticker Symbol	Industry Code	Utility	Ticker Symbol	Industry Code
ALLEGHENY POWER SYSTEM	AYP	4911	MIDDLE SOUTH UTILITIES	MSU	4911
AMERICAN ELECTRIC POWER	AEP	4911	MIDWEST ENERGY CO	MWE	4931
ATLANTIC ENERGY INC	ATE	4911	MINNESOTA POWER & LIGHT	MPL	4911
BALTIMORE GAS & ELECTRIC	BGE	4931	MONTANA POWER CO	MTP	4931
BLACK HILLS CORP	BKH	4911	NECO ENTERPRISES INC	NPT	4911
BOSTON EDISON CO	BSE	4911	NEVADA POWER CO	NVP	4911
CAROLINA POWER & LIGHT	CPL	4911	NEW ENGLAND ELECTRIC SYST	NES	4911
CENTERIOR ENERGY CORP	CX	4911	NEW YORK STATE ELEC & GAS	NGE	4931
CENTRAL & SOUTH WEST CORP	CSR	4911	NIAGARA MOHAWK POWER	NMK	4931
CENTRAL HUDSON GAS & ELEC	CNH	4931	NIPSCO INDUSTRIES INC	NI	4931
CENTRAL ILL PUBLIC SERVIC	CIP	4931	NORTHEAST UTILITIES	NU	4911
CENTRAL LOUISIANA ELECTRI	CNL	4911	NORTHERN STATES POWER-MN	NSP	4931
CENTRAL MAINE POWER CO	CTP	4911	OHIO EDISON CO	OEC	4911
CENTRAL VERMONT PUB SERV	CV	4911	OKLAHOMA GAS & ELECTRIC	OGE	4911
CILCORP INC	CER	4931	ORANGE & ROCKLAND UTILITI	ORU	4931
CINCINNATI GAS & ELECTRIC	CIN	4931	PACIFIC GAS & ELECTRIC	PCG	4931
CMS ENERGY CORP	CMS	4931	PACIFICORP	PPW	4931
COMMONWEALTH EDISON	CWE	4911	PENNSYLVANIA POWER & LIGH	PPL	4911
COMMONWEALTH ENERGY SYSTE	CES	4931	PHILADELPHIA ELECTRIC CO	PE	4931
CONSOLIDATED EDISON OF NY	ED	4931	PINNACLE WEST CAPITAL COR	PNW	4911
DELMARVA POWER & LIGHT	DEW	4931	PORTLAND GENERAL CORP	PGN	4911
DETROIT EDISON CO	DTE	4911	POTOMAC ELECTRIC POWER	POM	4911
DOMINION RESOURCES INC-VA	D	4931	PSI HOLDINGS INC	PIN	4911
DPL INC	DPL	4931	PUBLIC SERVICE CO OF COLO	PSR	4931
DUKE POWER CO	DUK	4911	PUBLIC SERVICE CO OF N H	PNH	4911
DUQUESNE LIGHT CO	DQU	4911	PUBLIC SERVICE CO OF N ME	PNM	4931
EASTERN UTILITIES ASSOC	EUA	4911	PUBLIC SERVICE ENTERPRISE	PEG	4931
EMPIRE DISTRICT ELECTRIC	EDE	4911	PUGET SOUND POWER & LIGHT	PSD	4911
FITCHBURG GAS & ELEC LIGH	FGE	4931	ROCHESTER GAS & ELECTRIC	RGS	4931
FLORIDA PROGRESS CORP	FPC	4911	SAN DIEGO GAS & ELECTRIC	SDO	4931
FPL GROUP INC	FPL	4911	SCANA CORP	SCG	4931
GENERAL PUBLIC UTILITIES	GPU	4911	SCECORP	SCE	4911
GREEN MOUNTAIN POWER CORP	GMP	4911	SIERRA PACIFIC RESOURCES	SRP	4931
GULF STATES UTILITIES CO	GSU	4911	SOUTHERN CO	SO	4911
HAWAIIAN ELECTRIC INDS	HE	4911	SOUTHERN INDIANA GAS & EL	SIG	4931
HOUSTON INDUSTRIES INC	HOU	4911	ST JOSEPH LIGHT & POWER	SAJ	4931
I E INDUSTRIES INC	IEL	4931	TECO ENERGY INC	TE	4911
IDAHO POWER CO	IDA	4911	TEXAS UTILITIES CO	TXU	4911
ILLINOIS POWER CO	IPC	4931	TNP ENTERPRISES INC	TNP	4911
INTERSTATE POWER CO	IPW	4931	TUCSON ELECTRIC POWER CO	TEP	4911
IOWA RESOURCES INC	IOR	4911	UNION ELECTRIC CO	UEP	4911
IOWA-ILLINOIS GAS & ELEC	IWG	4931	UNITED ILLUMINATING CO	UIL	4911
IPALCO ENTERPRISES INC	IPL	4911	UNITIL CORP	UTL	4911
KANSAS CITY POWER & LIGHT	KLT	4911	UTAH POWER & LIGHT	UTP	4911
KANSAS GAS & ELECTRIC	KGE	4911	UTILICORP UNITED INC	UCU	4931
KANSAS POWER & LIGHT	KAN	4931	WASHINGTON WATER POWER	WWP	4931
KENTUCKY UTILITIES CO	KU	4911	WISCONSIN ENERGY CORP	WEC	4931
LONG ISLAND LIGHTING	LIL	4931	WISCONSIN PUBLIC SERVICE	WPS	4931
LOUISVILLE GAS & ELECTRIC	LOU	4931	WPL HOLDINGS INC	WPH	4931
MAINE PUBLIC SERVICE	MAP	4911			

N = 99

Exhibit 2

Utilities Excluded from the Sample for the Indicated Quarter
Due to Either Zero Dividends or a Cut in the Dividends for
This Quarter or the Prior Three Quarters

---------- Year = 88 Quarter = 3 ----------

Ticker Symbol	Utility	Reason for Exclusion
CX	CENTERIOR ENERGY CORP	Dividend rate was reduced for the quarter CALENDAR 88Q2
CNH	CENTRAL HUDSON GAS & ELEC	Dividend rate was reduced for the quarter CALENDAR 88Q1
CMS	CMS ENERGY CORP	Dividend rate was zero for quarter CALENDAR 88Q3
GSU	GULF STATES UTILITIES CO	Dividend rate was zero for quarter CALENDAR 88Q3
LIL	LONG ISLAND LIGHTING	Dividend rate was zero for quarter CALENDAR 88Q3
MSU	MIDDLE SOUTH UTILITIES	Dividend rate was zero for quarter CALENDAR 88Q3
NGE	NEW YORK STATE ELEC & GAS	Dividend rate was reduced for the quarter CALENDAR 88Q1
PCG	PACIFIC GAS & ELECTRIC	Dividend rate was reduced for the quarter CALENDAR 88Q3
PIN	PSI HOLDINGS INC	Dividend rate was zero for quarter CALENDAR 88Q3
PNH	PUBLIC SERVICE CO OF N H	Dividend rate was zero for quarter CALENDAR 88Q3
PNM	PUBLIC SERVICE CO OF N ME	Dividend rate was reduced for the quarter CALENDAR 88Q2

N = 11

Exhibit 3

Annualized Dividend Yields for the Indicated Quarter for Utilities Retained in the Sample

Year = 88 Quarter = 3

Ticker Symbol	Price,1st Month of Qtr-High	Price,1st Month of Qtr-Low	Price,2nd Month of Qtr-High	Price,2nd Month of Qtr-Low	Price,3rd Month of Qtr-High	Price,3rd Month of Qtr-Low	Average Price	Dividends Annual Rate	Annualized Dividend Yield
AEP	29.000	27.000	28.875	26.125	28.125	26.625	27.625	2.370	8.579
ATE	33.625	32.375	33.500	31.875	33.625	32.000	32.833	2.760	8.406
AYP	37.875	36.500	38.250	36.625	38.375	37.125	37.458	3.000	8.009
BGE	32.750	30.375	32.375	30.000	32.125	30.250	31.312	2.000	6.387
BKH	28.125	27.000	27.875	26.500	28.250	26.750	27.417	1.400	5.106
BSE	15.250	14.500	15.000	14.000	16.125	14.250	14.854	1.820	12.252
CER	34.250	31.625	32.875	31.000	32.875	31.125	32.292	2.400	7.432
CES	31.000	29.375	30.500	29.250	33.000	29.500	30.437	2.800	9.199
CIN	28.000	26.250	26.750	25.375	26.875	26.000	26.542	2.240	8.440
CIP	21.875	21.125	21.750	20.250	21.875	20.750	21.271	1.760	8.274
CNL	33.125	31.000	32.375	31.250	32.875	32.000	32.104	2.320	7.226
CPL	34.500	32.500	34.250	32.625	35.875	33.875	33.937	2.760	8.133
CSR	32.125	30.500	31.750	29.875	31.750	30.000	31.000	2.440	7.871
CTP	18.000	17.000	18.125	16.875	18.375	17.250	17.604	1.480	8.407
CV	25.500	23.625	25.250	23.625	25.250	24.000	24.542	1.980	8.068
CWE	30.125	26.750	30.125	28.125	31.125	29.750	29.333	3.000	10.227
D	43.750	41.375	43.000	41.375	43.875	41.750	42.521	3.080	7.244
DEW	18.625	17.000	17.625	16.875	17.500	16.750	17.396	1.460	8.393
DPL	26.750	25.500	26.750	24.500	26.500	24.875	25.812	2.160	8.368
DQU	15.500	14.875	15.500	15.000	15.875	15.250	15.333	1.200	7.826
DTE	14.625	13.000	15.125	14.000	15.500	14.375	14.437	1.680	11.636
DUK	46.250	44.250	46.000	42.625	45.750	42.875	44.625	2.960	6.633
ED	44.375	43.000	45.125	42.125	44.875	42.375	43.646	3.200	7.332
EDE	30.375	29.125	29.500	28.875	29.375	28.750	29.333	2.120	7.227
EUA	26.125	24.250	26.000	24.500	29.000	25.500	25.896	2.400	9.268
FGE	27.875	26.250	26.250	25.500	26.375	25.500	26.292	1.720	6.542
FPC	35.125	33.500	35.000	34.000	34.875	33.750	34.375	2.480	7.215
FPL	30.750	29.250	30.625	29.125	31.375	29.500	30.104	2.200	7.308
GMP	24.500	23.750	24.500	23.000	25.375	23.500	24.104	1.920	7.965
GPU	35.625	34.125	35.250	32.750	35.500	33.875	34.521	1.200	3.476
HE	30.625	28.125	28.875	28.000	29.250	28.375	28.875	1.920	6.649
HOU	31.875	30.500	32.125	28.625	29.875	28.500	30.250	2.960	9.785
IDA	22.500	20.500	22.125	20.250	22.625	21.000	21.500	1.800	8.372
IEL	23.375	22.625	23.875	22.500	24.375	23.000	23.292	2.020	8.673
IOR	17.250	15.500	16.875	15.750	18.000	16.125	16.583	1.660	10.010
IPC	19.500	18.250	19.000	18.000	20.375	18.375	18.917	2.640	13.956
IPL	23.375	22.875	23.875	22.375	23.250	21.875	22.937	1.640	7.150
IPW	21.875	20.875	21.875	20.375	22.250	21.250	21.417	1.960	9.152
IWG	37.750	35.875	36.875	35.250	38.875	36.125	36.792	3.180	8.643
KAN	25.125	23.750	24.625	23.250	23.875	22.750	23.896	1.720	7.198
KGE	19.750	18.500	20.125	18.125	20.125	18.750	19.229	1.480	7.697
KLT	29.500	27.875	30.000	28.625	30.250	28.500	29.125	2.440	8.378
KU	19.125	17.625	18.500	17.500	18.500	17.625	18.146	1.340	7.385
LOU	34.500	31.625	32.625	31.125	35.000	32.375	32.875	2.720	8.274

Exhibit 3 (continued)

Annualized Dividend Yields for the Indicated Quarter for Utilities Retained in the Sample

Year = 88 Quarter = 3

Ticker Symbol	Price,1st Month of Qtr-High	Price,1st Month of Qtr-Low	Price,2nd Month of Qtr-High	Price,2nd Month of Qtr-Low	Price,3rd Month of Qtr-High	Price,3rd Month of Qtr-Low	Average Price	Dividends Annual Rate	Annualized Dividend Yield
MAP	31.375	30.625	37.250	30.875	37.125	35.375	33.771	2.600	7.699
MPL	25.000	23.375	25.000	23.750	24.875	23.875	24.312	1.720	7.075
MTP	34.750	33.250	34.750	33.875	36.500	34.375	34.583	2.680	7.749
MWE	19.500	18.250	19.375	17.875	19.625	19.000	18.937	1.560	8.238
NES	23.875	22.250	24.000	22.625	24.000	22.500	23.208	2.040	8.790
NI	11.875	10.500	11.500	10.875	12.125	11.125	11.333	0.600	5.294
NMK	15.375	13.250	13.750	12.875	14.125	13.500	13.812	1.200	8.688
NPT	19.250	18.625	18.500	17.875	18.125	17.750	18.354	1.500	8.173
NSP	31.375	30.000	31.750	30.125	32.875	31.000	31.187	2.120	6.798
NU	20.000	18.625	19.625	18.250	20.625	18.625	19.292	1.760	9.123
NVP	21.250	19.500	20.875	19.000	20.875	19.500	20.167	1.520	7.537
OEC	19.000	17.750	18.875	17.875	18.750	17.875	18.354	1.960	10.679
OGE	32.250	29.875	31.500	29.875	32.875	31.000	31.229	2.280	7.301
ORU	31.250	29.250	30.125	28.500	30.625	29.500	29.875	2.260	7.565
PE	19.000	18.000	19.000	17.125	19.000	17.625	18.292	2.200	12.027
PEG	24.750	22.375	24.000	22.375	24.625	22.000	23.354	2.000	8.564
PGN	23.125	21.000	21.750	20.250	21.625	20.250	21.333	1.960	9.187
PNW	25.750	23.375	23.875	21.000	23.125	22.125	23.208	2.800	12.065
POM	22.875	20.375	21.000	20.000	21.000	20.000	20.875	1.380	6.611
PPL	36.375	34.000	35.625	33.750	35.875	34.625	35.042	2.760	7.876
PPW	36.625	33.500	35.250	34.000	35.875	34.625	34.979	2.640	7.547
PSD	19.625	18.375	19.125	18.000	19.500	18.500	18.854	1.760	9.335
PSR	22.375	21.375	22.000	19.500	22.000	20.875	21.354	2.000	9.366
RGS	18.250	17.500	18.000	16.375	17.875	17.125	17.521	1.500	8.561
SAJ	22.250	21.250	22.750	21.000	22.750	21.000	21.833	1.400	6.412
SCE	32.875	30.750	32.750	31.250	33.625	31.500	32.125	2.480	7.720
SCG	32.625	30.250	31.375	29.750	31.125	29.750	30.812	2.400	7.789
SDO	34.500	32.750	35.500	33.500	36.000	33.500	34.292	2.600	7.582
SIG	30.125	28.500	29.250	26.500	27.625	26.500	28.083	1.700	6.053
SO	23.500	21.875	22.750	21.375	21.875	20.375	21.958	2.140	9.746
SRP	23.500	21.625	22.125	20.875	22.500	21.125	21.958	1.760	8.015
TE	23.875	22.125	23.375	21.750	23.875	22.875	22.979	1.420	6.180
TEP	55.875	52.125	53.000	50.000	54.500	51.500	52.833	3.900	7.382
TNP	20.500	19.500	20.000	18.500	19.875	19.000	19.562	1.470	7.514
TXU	28.500	26.125	29.125	27.750	28.625	27.625	27.958	2.880	10.301
UCU	18.750	17.500	18.875	17.500	19.375	18.500	18.417	1.120	6.081
UEP	23.375	22.500	23.250	21.500	23.875	22.375	22.812	1.920	8.416
UIL	23.750	22.625	23.875	21.875	24.250	21.750	23.021	2.320	10.078
UTL	28.500	27.750	28.000	27.500	29.625	28.000	28.229	2.040	7.227
UTP	30.125	28.500	30.625	28.750	31.125	29.625	29.792	2.320	7.787
WEC	27.125	25.375	26.750	25.250	27.000	25.625	26.187	1.540	5.881
WPH	23.500	22.000	23.125	21.437	23.625	22.125	22.635	1.620	7.157
WPS	22.500	21.125	22.250	21.000	21.500	21.000	21.562	1.580	7.328
WWP	28.000	26.500	27.750	25.750	27.750	26.125	26.979	2.480	9.192

N = 88

[FR Doc. 88–24177 Filed 10–18–88; 8:45 am]

BILLING CODE 6717-01-C