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January 24, 2001 RECORDS AND REPORTING

Ms. Blanca Bayo
Director of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

010107-EI

Re: Depreciation Rates for Martin Simple Cycle Expansion Project

Dear Ms. Bayo:

Florida Power & Light Company (FPL) requests Commission approval to begin depreciating it's Martin Simple Cycle Expansion Project (Martin Peakers) using the Whole Life Depreciation Rates currently approved for Martin Power Plant, Unit No. 4 and Common effective with the in-service dates of the units. The Martin Simple Cycle Unit is a new unit and was not part of the rates approved in Order Nos. PSC-99-0073-FOF-EI and PSC-99-0958-FOF-EI issued January 8, 1999 and May 11, 1999, respectively, in Docket No. 971660-EI.

The Martin Peakers Project involves the installation of two new combustion turbines to be located at the Martin Plant Site. The new installation will add approximately 340 megawatts of generation at the existing site. The combustion turbines are manufactured by General Electric Company and are anticipated to be in service in June 2001.

The Martin Peakers' combustion turbines are similar to the units installed at Martin Unit No. 4. Martin Unit No. 4 was placed in service in 1994 and had depreciation rates last approved by the Commission in April 1999. The whole life depreciation rates approved for Martin Unit 4 and Common will provide a realistic capital recovery plan until depreciation studies of the Martin Peakers can be prepared and approved by the Commission. The application of whole life rates for these new units is appropriate since they have not accumulated any depreciation and, being new units, have a remaining life equal to the whole life.

FPL will prepare and file a site specific depreciation and dismantlement study for the Martin Peakers as soon as possible after the units have been placed in service and the plant dollars have been unitized. FPL anticipates that it will request that these site specific rates would become effective on January 1, 2002. Therefore, the Martin Plant depreciation rates will be in effect for less than a year. The use of these rates for this short period will not significantly affect future recovery over the life of the repowered units.

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FPSC-DIRECTOR OF RECORDS

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In summary, FPL proposes to use the whole life depreciation rates approved for Martin Unit 4 and Common until such time as the site specific depreciation for the Martin Peakers is reviewed by the Commission.

Attached is a copy of the summary schedule for the most recent change in depreciation rates submitted by FPL in Docket No. 971660-EI and subsequently approved by the Commission for Martin Combined Cycle Plant in Order no. PSC-99-0073-FOF-EI dated April 8, 1999. If you or your staff have any questions, please contact me at (305) 552-4790.

Sincerely,



Donald L. Babka
Director Regulatory and Tax

cc. Pat Lee

attachment

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY
PLANT & RESERVE BALANCES
BALANCES AT 12/31/97

*** Existing Rates ***

*** Proposed Rates ***

Account Number	Account Description	Plant Balance At 12/31/97 a	Reserve Balance At 12/31/97 b	Reserve Ratio c	Reserve Ratio						Estimated Annual Accrual j	Service Life					Estimated Annual Accrual p	Change In Annual Accrual q
					When Approved d	Average Life e	Remaining Life f	Net Salvage g	Depreciation Rate Whole Life h	Depreciation Rate Remaining Life i		Average Life k	Remaining Life l	Net Salvage m	Depreciation Rate Whole Life n	Depreciation Rate Remaining Life o		
Martin Combined Cycle Common																		
341	Structures & Improvements	\$40,062,842	\$10,028,672	25.03%	16.4%	22.0	20.0	-2.0%	4.6%	4.3%	\$1,722,702	21.0	17.8	-4.0%	5.0%	4.4%	\$1,762,765	\$40,063
342	Fuel Holders, Producers and Accessones	\$3,512,616	\$751,752	21.40%	18.5%	23.0	21.0	-2.0%	4.4%	4.0%	\$140,505	22.0	19.0	0.0%	4.5%	4.1%	\$144,017	\$3,512
343	Prime Movers	\$34,619,980	\$12,426,790	35.89%	19.9%	8.8	5.1	-2.0%	15.5%	18.1%	\$5,573,817	8.8	6.6	-2.0%	11.6%	10.0%	\$3,461,998	(\$2,111,819)
344	Generators	\$0	\$0	0.00%	0.0%	0.0	0.0	0.0%	0.0%	0.0%	\$0	0.0	0.0	0.0%	0.0%	0.0%	\$0	\$0
345	Accessory Electric Equipment	\$4,676,011	\$1,163,943	24.89%	18.4%	25.0	24.0	-1.0%	4.0%	3.4%	\$158,984	25.0	21.0	-1.0%	4.0%	3.6%	\$168,336	\$9,352
346	Miscellaneous Power Plant Equipment	\$4,079,523	\$1,308,545	32.08%	18.9%	12.6	11.1	-1.0%	8.0%	7.6%	\$310,044	12.6	9.1	0.0%	7.9%	7.5%	\$305,964	(\$4,080)
Total	Martin Combined Cycle Common	\$88,950,972	\$25,679,702	29.53%	17.8%	11.2	9.6	-2.0%	9.1%	8.8%	\$7,906,052	13.4	10.7	-2.0%	7.6%	6.8%	\$5,843,080	(\$2,062,972)
Martin Combined Cycle Unit 3																		
341	Structures & Improvements	\$1,947,931	\$655,677	33.66%	27.9%	25.0	24.0	-2.0%	4.1%	3.1%	\$60,386	24.0	21.0	-4.0%	4.3%	3.3%	\$64,282	\$3,896
342	Fuel Holders, Producers and Accessones	\$887,253	\$127,317	14.68%	5.8%	21.0	19.4	-2.0%	4.9%	5.0%	\$43,363	21.0	17.4	0.0%	4.8%	4.9%	\$42,495	(\$868)
343	Prime Movers	\$149,522,435	\$22,853,000	15.28%	2.8%	17.3	15.8	-2.0%	5.9%	6.3%	\$9,419,913	18.7	15.3	-2.0%	5.5%	5.7%	\$8,522,779	(\$897,134)
344	Generators	\$24,476,950	\$4,161,034	17.00%	8.8%	25.0	23.0	-2.0%	4.1%	4.1%	\$1,003,555	24.0	21.0	0.0%	4.2%	4.0%	\$979,078	(\$24,477)
345	Accessory Electric Equipment	\$19,069,742	\$4,628,353	24.27%	10.5%	14.6	13.1	-1.0%	6.9%	6.9%	\$1,315,812	14.5	11.0	-1.0%	7.0%	7.0%	\$1,334,882	\$19,070
346	Miscellaneous Power Plant Equipment	\$531,739	\$126,543	23.80%	16.8%	25.0	24.0	-1.0%	4.0%	3.5%	\$18,611	15.0	11.5	0.0%	6.7%	6.6%	\$35,095	\$16,464
Total	Martin Combined Cycle Unit 3	\$196,416,050	\$32,551,924	16.57%	4.6%	17.7	16.2	-2.0%	5.8%	6.0%	\$11,861,640	18.7	15.4	-2.0%	5.5%	5.5%	\$10,978,611	(\$883,029)
Martin Combined Cycle Unit 4																		
341	Structures & Improvements	\$1,876,926	\$612,306	32.62%	26.3%	25.0	24.0	-2.0%	4.1%	3.2%	\$60,082	25.0	21.0	-4.0%	4.2%	3.4%	\$63,815	\$3,753
342	Fuel Holders, Producers and Accessones	\$653,293	\$116,571	17.84%	11.3%	21.0	19.6	-2.0%	4.9%	4.6%	\$30,051	21.0	17.6	0.0%	4.8%	4.7%	\$30,705	\$654
343	Prime Movers	\$144,937,527	\$27,303,753	18.84%	7.3%	17.9	16.4	-2.0%	5.7%	5.8%	\$8,406,377	18.5	15.1	-2.0%	5.5%	5.5%	\$7,971,564	(\$434,813)
344	Generators	\$29,263,816	\$4,812,821	16.45%	8.2%	25.0	23.0	-2.0%	4.1%	4.1%	\$1,199,816	25.0	21.0	0.0%	4.0%	4.0%	\$1,170,553	(\$29,263)
345	Accessory Electric Equipment	\$15,199,687	\$3,538,529	23.28%	9.3%	14.6	13.1	-1.0%	6.9%	7.0%	\$1,063,978	14.5	11.0	-1.0%	7.0%	7.1%	\$1,079,178	\$15,200
346	Miscellaneous Power Plant Equipment	\$475,879	\$108,413	22.78%	15.7%	25.0	24.0	-1.0%	4.0%	3.6%	\$17,132	15.0	11.5	0.0%	6.7%	6.7%	\$31,884	\$14,752
Total	Martin Combined Cycle Unit 4	\$192,407,128	\$36,492,393	18.97%	7.8%	18.4	16.9	-2.0%	5.5%	5.6%	\$10,777,416	18.9	15.4	-2.0%	5.4%	5.4%	\$10,347,699	(\$429,717)
Martin Combined Cycle Site																		
341	Structures & Improvements	\$43,887,699	\$11,296,655	25.74%	17.4%	22.0	20.0	-2.0%	4.6%	4.2%	\$1,843,150	21.0	18.0	-4.0%	5.0%	4.3%	\$1,890,882	\$47,712
342	Fuel Holders, Producers and Accessones	\$5,033,162	\$995,640	19.78%	14.8%	22.0	21.0	-2.0%	4.6%	4.2%	\$213,919	22.0	18.5	0.0%	4.5%	4.3%	\$217,217	\$3,298
343	Prime Movers	\$329,079,942	\$62,583,543	19.02%	6.1%	15.0	13.5	-2.0%	6.8%	7.1%	\$23,400,107	16.7	13.5	-2.0%	6.1%	6.1%	\$19,956,341	(\$3,443,766)
344	Generators	\$53,740,766	\$8,973,855	16.70%	8.5%	25.0	23.0	-2.0%	4.1%	4.1%	\$2,203,371	25.0	21.0	0.0%	4.0%	4.0%	\$2,149,631	(\$53,740)
345	Accessory Electric Equipment	\$38,945,440	\$9,330,825	23.96%	11.0%	15.4	13.9	-1.0%	6.6%	6.5%	\$2,538,774	15.3	11.7	-1.0%	6.6%	6.6%	\$2,582,396	\$43,622
346	Miscellaneous Power Plant Equipment	\$5,087,141	\$1,543,501	30.34%	16.6%	14.0	12.5	-1.0%	7.2%	6.7%	\$345,787	13.0	9.5	0.0%	7.7%	7.3%	\$372,943	\$27,156
Total	Martin Combined Cycle Site	\$475,774,150	\$94,724,019	19.91%	8.1%	16.3	14.7	-2.0%	6.3%	6.4%	\$30,545,108	17.5	14.3	-2.0%	5.8%	5.7%	\$27,169,390	(\$3,375,718)