FLORIDA PUBLIC SERVICE COMMISSION

Asset Valuation

in a

Transitioning Electric Industry

PREPARED BY:

Division of Policy Analysis & Intergovernmental Liaison
and
Division of Economic Regulation

March 2001

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Asset Valuation in a Transitioning Electric Industry

The transition of the electric industry from the traditional vertically integrated system to a competitive environment will most likely result in integrated companies divesting assets along functional lines. The functionalities most often sited are generation, transmission, and distribution. A major issue surrounding the divesture of assets is how those assets will be valued at the time they are sold or transferred to affiliate companies, separate subsidiaries, or totally independent organizations. In the case of generation assets which represent the largest percentage of a utility's total capital investment, this is a particularly important issue because of the potential for gains or losses on sale as they are passed from a regulated environment to a more competitive environment. How generation assets are valued as they pass from a regulated environment to a more competitive environment and how resulting gains or losses on sale are recovered has resulted in considerable debate as restructuring is considered on a state-by-state basis across the country.

Traditional Rate Regulation

Both the utility's stockholders and consumers have an interest in the valuation of generation assets as they pass from a regulated environment to a nonregulated environment. Traditionally, regulated utility rates include an expense component and a return on investment component. The expense component consists of the annual depreciation expense associated with each generating asset. A return on investment is also allowed to be recovered and is calculated based on the original cost of the generation asset less accumulated depreciation. Over time, as the generation asset is depreciated, the annual depreciation expense remains constant while the return on investment, in total dollars, declines. If, at any time over the life of the generation asset, the market value changes, it has no impact on the regulatory valuation for rate setting purposes.

When a regulated company divests itself of generation assets, either through a transfer to an affiliate company or an outright sale, the remaining book cost (less accumulated depreciation) is removed from the company's rate base and it will no longer earn a return on investment. The next time rates are set they will be lowered by the annual depreciation expense and by the amount of return on the divested generation assets. However, rates will be increased by the cost of generation purchased from the market to replace generation from the divested generation assets. Typically, in Florida, these purchased power costs are recovered through a cost recovery clause rather than through base rates. Thus, the transfer of generation assets from the regulated system to the competitive system can be expected to impact customers in several ways. First, the cost of generation paid by the consumer is subject to market value rather than cost plus a return ratemaking. Second, these generation costs are immediately passed on to consumers rather than included in base rates when, and if, a rate case is initiated. Depending on the state of the generation market, generation costs experienced by consumers may be higher or lower than those prior to divestiture.

Finally, in addition to these direct rate impacts, another significant issue is the market value of divested generation relative to their regulated book cost. Traditional regulation values capital assets, such as generating plants, at their original cost amortized over a period of time equal to the "life of the asset," usually from to 20-30 years but in some cases up to 40 years. Thus, depending on how old the asset is, its book value for regulatory purposes would be some depreciated value of the original investment. On the other hand, the market value can and most likely will be significantly different than book value depending on the age, technology type, reliability, and condition of the generating asset. More importantly, market value is a function of the cost of producing electricity from the generating asset relative to the cost of producing electricity from other generating plants in the marketplace. If the book cost of generation assets are significantly greater than their market value, stranded costs occur. Conversely if the book cost is significantly less than market value, stranded benefits result. The question becomes -- Who should bear the responsibility of recovering stranded costs or benefits: utility stockholders, consumers, or both?

Definition of Stranded Costs and Benefits

The transition of the electric industry from the traditional, vertically integrated monopoly to a functionally divested system changes the rules of the game for all parties. The clear objective to restructuring is to provide more efficient, lower cost service to electric consumers. It is believed that competitive energy providers will be more efficient and innovative and that consumers will benefit from competition in the generation markets at some time in the future. As a result of a transition of this nature, the benefits, risks and obligations for customers, utilities and regulators change.

Stranded Costs

Regulated utilities generally have a prescribed recovery period over which they can recover their investment as a tradeoff for the traditionally limited risk they face. If assets are sold or transferred out of the regulated rate base because of a legislative or regulatory mandate, then the utilities become concerned about the ability to recover their investment. Utilities argue that their investments were made to serve customers and with the expectation that the regulatory environment would provide them an opportunity to recover costs and make a reasonable profit on the investment. As such, if the rules are changed to require divestiture and if, at the time of the transition, market value is less than book value, the utility will argue that it has stranded costs for which it should be compensated.

Stranded Benefits

Suppose, however, the reverse is true and market value is greater than book value. In this case, the utility will realize a gain on sale as a result of the divestiture. Consumer advocates argue that this gain on sale is a stranded benefit and should accrue to the benefit of the customers of the regulated utility. Curiously enough, in some cases, utilities have argued that even though consumers have paid for the utility assets through rates, the consumers have no vested ownership rights to the assets and, hence, should have no interest in the disposition of those assets on a going forward basis.[1]

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[1]With regard to regulated utilities, however, any definition of book value of generation assets should include related tax deferrals (provision for deferred taxes and unamortized investment tax credits). Most importantly, excess deferred taxes should be returned to consumers when assets are transferred. There may be other consideration when defining book value such as Commission prescribed storm damage reserves.

Consumer Interests

In a competitive nonregulated market, such as a discount department store, no one would argue that the customers of the store have an ownership stake. It is implicit that consumers are paying all the costs necessary to provide the product at the price the market establishes. Presumably the consumer benefits from competitive market-based prices for goods that are close to the marginal cost of production and therefore sold at the best available price. The customers have no direct investment in the store and simply by purchasing commodities from the store have no claim on the store's assets. However, should the consumer become dissatisfied with a service or product provided by the store, they have every right to take their business elsewhere. While investment risk in the store is shouldered entirely by stockholders, there is no guarantee of full recovery of cost and a return on investment.

In contrast, regulated utilities are granted monopoly status within a defined service territory. Consumers do not have the ability to shop elsewhere if dissatisfied with the service provided by an electric utility. The utility, by virtue of regulation and of a captive customer base, enjoys a stable demand not generally subject to fluctuations from migrating customers, competition, or economic conditions. In addition, it is provided an authorized range of return on investment. Rates are set to provide that rate of return as closely as possible. Thus, the utility enjoys relatively predictable and stable revenue streams. As a result, it also enjoys certain advantages in the capital markets through improved credit and bond ratings. It is given predictable depreciation schedules and recovery periods and this also serves to improve its ability to raise capital. In addition, the utility enjoys insulation from investment decisions which become prematurely obsolete or no longer cost effective. That is, in a regulated environment, rates are set to provide an opportunity for complete recovery of investment even if the asset does not remain productive.

Having drawn these distinctions between regulated and nonregulated products, is there any characteristic of the regulated investor-owned utility industry that would confer some ownership rights on consumers of utility service? It seems that there is a symbiotic relationship between utility consumers and investor-owned utilities in which both parties receive some benefit and bear some risk by virtue of regulation. It is not clear that any of those benefits or risks confer outright ownership rights to customers. Stockholders clearly own the assets of the utility. However, regulators and lawmakers have some responsibility to ensure reasonable outcomes for both the consumers and utility stockholders. Should the stockholders engage in behavior regarding the sale of assets that would in some way threaten the safety, reliability, and adequacy of utility service or serve to increase stockholder value while having a demonstrable negative impact on consumers and the rates they pay, public policy makers should exercise diligence to mitigate such actions.

Policy Implications

Moving to competition is an irreversible course that should not be embarked upon without reasonable certainty that it offers greater benefits to consumers than traditional regulation. One issue that must be carefully considered is the impact of stranded costs and benefits. Much has been made of the so called regulatory compact and how it impacts these policy decisions. In short, the regulatory compact provides the utility with an opportunity to make a reasonable return on its investment and requires the utility to provide safe, adequate, and reliable service at a regulated price. The compact provides the customer with safe, adequate, and reliable service at a reasonable price and prevents monopoly abuse that would otherwise result in excessive prices and potentially inferior service. As previously noted, there are commensurate risks and protections built into the process that work to the benefit of both customers and utilities.

Under the regulatory compact, consumers have a right to expect that regulators and public policy makers are vigilant and will not permit actions that they believe will have a long-term detrimental impact on consumers or utilities. In any transition to a more competitive market for electric generation, the risks and benefits change for each party. The divestiture of generation assets to a more competitive environment shifts the risk of investment recovery from customers to generation owners and the marketplace. By maintaining the obligation to serve and removing generation assets from the regulatory umbrella, the distribution utility incurs risk in ensuring power delivery through purchased power contracts and in controlling the costs associated with such contracts.

With respect to the treatment of stranded costs and benefits, what options do public policy makers have? Several states have already addressed the issues of stranded costs and benefits. In California, where divesture of generation assets were required, policy makers required recovery of stranded costs from consumers. Most other states that have proceeded to a competitive generation (and/or retail) energy market have permitted full or at least partial recovery of stranded costs. Some states have time-limited that recovery, some have included periodic true-ups during the transition, and several have required a showing of mitigation steps to minimize the level of stranded cost. It should be noted that the majority of states that have been in the vanguard of pursuing a more open energy market have, historically, had high cost generation. As such, these states have primarily had to address the issue of stranded costs, not stranded benefits. One state that has just recently addressed the issue of stranded benefits is the State of Oregon. The Oregon Public Utilities Commission identified stranded benefits for at least one utility and has provided for credits on consumers' utility bills to reflect those benefits.

One way of expressly dealing with the issue of stranded costs and benefits that seems to be gaining favor is to require generation assets to be valued in an open competitive auction. Many believe that the actual sale of generating assets in an open bid type auction is the best way, and perhaps the only way, to definitively define stranded costs and benefits. The issues that should be considered in a divestiture auction include:

1. Timing -- to maximize the proceeds you probably would not want to flood the market all at once. Consideration should be given to whether generation assets should be sold one at a time; in blocks; or by fuel type.

2. Structure -- Most states have required their utilities to file a plan for approval by the public utility commission. Typically if generation assets are sold, they are sold in a closed RFP bid type process.

3. Dispersing the auction proceeds -- How should the proceeds of the auction be dispersed? Obviously you would pay off the remaining debt on any generation assets. If the proceeds are not enough to cover the net book value, you have stranded costs; if the proceeds are greater than the net book value, you have stranded benefits. Should customers or stockholders pay/receive the stranded costs/benefits? What cost recovery mechanism should be used?

An additional potential benefit of the auction approach is the opportunity for non-affiliated generation providers to procure lower cost generation facilities such as coal and nuclear. That would serve to add some competition in a segment of the market controlled, almost exclusively, by incumbent investor-owned utilities.

Conclusion

It is not clear that current Florida law addresses the issue of stranded cost. At present, the Florida Public Service Commission does not have jurisdiction to approve or disapprove the transfer of utility assets. As such, it appears that the Commission's jurisdiction to address stranded cost and benefit issues is limited to conventional after-the-fact prudence review and ratemaking. It is clear, however, that for regulated utilities the law obligates the Florida Public Service Commission to provide an opportunity for a return on prudent investment. Not doing so, may constitute unlawful confiscation of property. As such, if the sale or transfer of utility generating assets results in stranded costs, it appears reasonable for the Commission to allow for the recovery of these costs.

With respect to stranded benefits, while consumers may not have direct ownership rights to the utility's assets, consumers do have a right to expect public policy makers to ensure reasonable outcomes for both the consumers and utility stockholders. Assets sold or transferred at a cost significantly below market value may provide competitive advantage to the ultimate buyer or receiver of such assets. To avoid such profit taking, it may be desirable to confer the benefit of the sale or transfer of such assets to consumers.

FPSC Depreciation Treatment of Investor-Owned Generation Assets

The purpose of depreciation is to systematically spread the recovery of prudently invested capital over the period the plant items represented by the capital are providing service. The resultant depreciation expense is a component of the cost of providing service and, ideally, the timing of the expenses matches the timing of the period of service as well as of the period of time revenues are produced by the represented items. This matching principle is intended as an assurance that the cost related to the plant will be equitably distributed across the generations of ratepayers that are receiving service from the plant.

From a ratemaking viewpoint, traditionally, regulated utility rates include an expense and a return on investment component. In other words, both the depreciation expense associated with a capital plant investment and a return on the remaining undepreciated portion of a capital plant investment (remaining book cost) are included in the total revenue requirements used to determine rates. Also, in the case of certain large scale, capital intensive technologies such as generating power plants, overall depreciation rates may need to take into consideration the cost of dismantling the plant at the end of its useful life and restoring the site to preconstruction conditions. Therefore, overall depreciation expense may include a separate component for the removal and disposal of generating stations upon retirement.

Depreciation Practices in Florida

Prior to the early 1980's, there was no regular depreciation study cycle required for Florida electric utilities. Also, the whole life technique was the national standard used in the development of regulatory depreciation rates. In 1982, the FPSC began using the remaining life technique in the determination of depreciation rates. The remaining life technique provides depreciation recovery of the net plant yet to be recovered over the determined remaining life of the related assets. It self-adjusts for historic over or under recovery, as well as for changes in life or salvage estimates. This self-correcting quality better ensures full recovery over the related remaining period of service.

Beginning in 1988, the Commission required Electric Investor-Owned Utilities (IOUs) to submit depreciation studies, at a minimum, every four years. The utilities are permitted and have been encouraged by the Commission to submit partial studies between the four-year cycle if there has been a major change in planning, technology, government action, or other circumstances indicating a need to revise depreciation rates for a particular account(s) or major installation(s). All IOUs have requested and received off-period reviews as conditions warranted.

Also in the late 1980's, the Commission recognized that the nature and age of the equipment and structures can vary between generating plants and between units of the same generating site. A generating station or unit can be looked at as a box - a box containing an assortment of various types of assets that can be expected to experience varied service lives. Identification of the nature of the separate components or groups of components and estimation of the expected lives of the components provides a more accurate approach to determination of the required depreciation rate. Thus, began the development of depreciation rates for electric production plants by plant site.

Besides the use of remaining life, the Commission has also utilized capital recovery schedules (amortization) for plant prudently retiring early and for other exceptional perceived imbalances in the depreciation reserve. The affected investment and depreciation reserve is identified and depreciated (using an amortization schedule), ideally, over the plant's remaining in-service period. Where reserve imbalances occur as a result of historical failure to recover technological or governmental impacts, the Commission has provided recovery over as short a period of time as economically practicable for the utility. In some cases, this can be as short as one year. Capital recovery schedules are tools used frequently with plant repowering (overhaul) in which major portions of plant are subject to retirement.

The first time the use of capital recovery schedules was recommended for an electric IOU's planned production plant overhauls (1991), the IOU objected indicating that the effect on earnings from the use of such recovery schedules could lead to a need for increased revenues. The utility requested a formal hearing arguing that the use of capital recovery schedules was unnecessary and inappropriate because the use of remaining life would provide recovery over the remaining life of the associated plant. Utilities generally desired to keep depreciation expenses low in order to keep expenses down and meet their financial goals. It was not until the mid 1990's that electric IOUs began to address the need for higher depreciation rates and recovery of reserve deficiencies.

Florida was also the first state in the country to establish a funded reserve for nuclear decommissioning and a separate unfunded reserve for the removal and disposal of fossil fuel generating stations upon retirement. The funded reserve for nuclear decommissioning was established in 1982; the separate reserve for fossil dismantlement was established in 1987. Nuclear decommissioning studies are submitted for review once every five years; dismantlement studies are filed in connection with the utility's comprehensive depreciation study.

The Commission's approach to depreciation for electric IOUs considers the impact of technology, government actions, and any other external changes causing some of the components of an account or generating site or unit to become subject to a much shorter expected life than the remaining components. The use of the remaining life technique, capital recovery schedules, amortization of historic reserve imbalances, fossil dismantlement reserve, and nuclear decommissioning reserve provide the tools necessary for utilities to assess their capital recovery positions.

A reserve deficiency is the result of failure to properly recover in the past. Where the deficiency relates to unforeseen factors such as governmental requirements or the introduction of a new technology, the Commission has provided recovery as fast as economically practicable for the particular utility. A similar situation occurs with plant which has had its expected remaining service life substantially shortened, for example, by technological change. The Commission was among the first of the state or federal regulatory bodies to recognize and separately handle such reserve imbalances with amortization schedules.

In cases involving earnings investigations, historic overearnings, tax refunds, and adjustments related to interest synchronization of investment tax credits, the Commission has often allowed additional depreciation <u>to correct</u> reserve deficiencies in lieu of reducing customer rates or making one-time cash refunds. Additionally, accelerated depreciation recovery has, from time-to-time, been afforded to certain plant costs being recovered through the Oil Back-Out tariff, the

Fuel and Purchased Power Cost Recovery Clause, or the Conservation Cost Recovery Clause. When deemed appropriate, this special recovery approach serves to provide incentives for utilities to engage in certain cost-savings activities. In most cases where accelerated depreciation has been permitted, the additional depreciation has been funded by a percentage of fuel savings achieved. In this way consumers received the immediate benefit of reduced fuel savings and the longer term benefit of paying down plant investment costs over a shorter period of time than the period of service of the related assets.

Depreciation Reserves of Florida Investor-Owned Utilities

The depreciation reserve reflects the amount of investment recovered to date. During a period of technological change, reserves must be high enough to withstand large retirements as the old technology is replaced by new. There is no "right" reserve number, and reserves may increase or decrease for reasons other than inadequate depreciation rates. For example, high growth, such as Florida is experiencing, can cause reserves to look low because of the large amounts of new investment that must be added to accommodate the growth. The table below shows the depreciated or recovery status as of January 1, 2000 for the Florida IOU production plants.

Table 1
IOU Depreciation Reserve Status Reflecting the Amount of Investment Recovered as of 01/01/00

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FPC	64.52%	57.46%	26.60%	41.16%
FP&L	73.14%	62.02%	44.58%	63.17%
Gulf	52.13%	N/A	32.72%	51.83%
TECO	53.43%	N/A	22.44%	55.38%

Source: FPSC Annual Status Report and FERC Form 1.
Nuclear does not include decommissioning.

As shown in the following two tables, nuclear generation accounts for about 10% and 17% of the total generating capacity for FPC and FP&L, respectively, while representing about 24% and 45% of the total generation investment for each company, respectively. It should also be noted that FP&L filed an application on September 11, 2000 for renewal of the Turkey Point operating licenses for an additional twenty years. Coal generation represents about 6% of FP&L's total generation while representing 98% and 80% Gulf and TECO's total generation. The IOU coal units are 50% or more recovered.

Table 2
Percent Generation by Fuel Type

	Steam	Nuclear	Other**	Total
FPC	47.50	10.08	42.42	100
FP&L	55.57	17.26	27.17	100
Gulf	97.53	N/A	2.47	100
TECO	85.71	N/A	14.29	100

Source: Ten-Year Site Plans
Does not include the effect of fuel prices.
* This represents coal, natural gas, diesel, and oil.
** This includes combustion turbines, combined cycle, gas turbines, and waste heat.

Table 3
Percent Generation Investment by Fuel Type

	[illegible]	[illegible]	[illegible]	Total
FPC	50.90	23.64	25.46	100
FP&L	37.67	44.88	17.45	100
Gulf	98.44***	N/A	1.56	100
TECO	73.26	N/A	26.74	100

Source: Ten-Year Site Plans; 1999 Annual Status Report
*This represents coal, natural gas, diesel, and oil.
**This includes combustion turbines, combined cycle, gas turbines, and waste heat.
***Investment information provided by site. Therefore, percent investment represents total steam (coal and natural gas).

FLORIDA INVESTOR-OWNED UTILITIES - SUMMARY OF AVERAGE BOOK COST OF GENERATION

FLORIDA POWER & LIGHT	**Summer MW Capability**	**Total Net Plant Investment ($)**	**Average Book Cost of Generation ($/KW)**
TOTAL SYSTEM*	16,444	2,820,394,800	172
Plant Sites: STEAM PRODUCTION			
Cape Canaveral (2 units)	804	24,703,303	31
Cutler (2 units)	215	(1,686,425)	(8)
Ft. Myers (Remaining) (2 units)	543	2,022,772	4
Ft. Myers (Retiring) (2 units)	543	3,401,622	6
Manatee (2 units)	1,625	79,882,128	49
Martin (2 units)	1,631	356,385,922	219
Pt. Everglades (4 units)	1,242	4,956,129	4
Riviera (3 units; 1 retired)	573	890,726	2
Sanford (Remaining) (5 units; 2 retired)	934	23,447,310	25
Sanford (Retiring) (5 units; 2 retired)	934	6,686,362	7
Scherer (1 unit)	658	304,772,949	463
SJRPP (2 units)	254	156,053,961	614
Turkey Point (2 units)	810	34,304,813	42
Plant Sites: NUCLEAR PRODUCTION			
St. Lucie (2 units)	1,553	1,030,376,051	663
Turkey Point (2 units)	1,386	393,090,752	284
Plant Sites: OTHER PRODUCTION			
Ft. Myers (12 units)	636	5,324,301	8
Lauderdale (24 units)	840	8,788,396	10
Pt. Everglades (12 units)	420	2,046,049	5
Lauderdale (combined cycles) (2 units)	860	328,878,426	382
Martin (2 units)	950	351,535,808	370
Putnam (2 units)	498	59,390,484	119

*The total net plant investment amount does not include a nuclear decommissioning reserve amount of $1,411,276,582.

FLORIDA INVESTOR-OWNED UTILITIES - SUMMARY OF AVERAGE BOOK COST OF GENERATION

FLORIDA POWER CORPORATION	**Summer MW Capability**	**Total Net Plant Investment ($)**	**Average Book Cost of Generation ($/KW)**
TOTAL SYSTEM*	7,525	1,552,415,605	206
Plant Sites: STEAM PRODUCTION			
Anclote-Oil (2 units)	993	87,287,147	88
Bartow-Oil (3 units)	444	23,341,607	53
Crystal River 1 & 2 (2 units)	853	112,775,008	132
Crystal River 4 & 5 (2 units)	1,429	379,465,939	266
Suwannee-Oil (3 units)	143	(6,372,534)	(45)
Higgins (4 units)	SEE BELOW	SEE BELOW	SEE BELOW
Turner (4 units)	SEE BELOW	SEE BELOW	SEE BELOW
Avon Park (2 units)	SEE BELOW	SEE BELOW	SEE BELOW
Plant Sites: NUCLEAR PRODUCTION			
Crystal River 3 (1 unit)	774	366,094,676	473
Plant Sites: OTHER PRODUCTION			
Avon Park (2 units)	52	1,736,857	33
Bartow (4 units)	187	7,031,210	38
Bayboro (4 units)	184	3,056,485	17
Debary (6 units)	324	20,377,607	63
Higgins (4 units)	122	2,148,850	18
Intercession City (6 units)	294	9,537,446	32
Rio Pinar (1 unit)	13	(156,852)	(12)
Suwannee (3 units)	164	10,548,540	64
Turner (4 units)	154	5,570,697	36
Debary (New) (4 units)	319	73,750,925	231
Intercession City (New) (4 units)	352	76,234,808	217
University of Florida (New)	35	28,148,147	804
Intercession City - Siemens	0	19,560,178	N/A
Tiger Bay (2 units)	207	66,718,374	322
Hines Energy Complex (3 units)	482	253,062,178	525

*The total net plant investment amount does not include a nuclear decommissioning reserve amount of $285,018,964.

FLORIDA INVESTOR-OWNED UTILITIES - SUMMARY OF AVERAGE BOOK COST OF GENERATION

TAMPA ELECTRIC COMPANY	**Summer MW Capability**	**Total Net Plant Investment ($)**	**Average Book Cost of Generation ($/KW)**
TOTAL SYSTEM*	3,455	1,249,672,569	362
Plant Sites: STEAM PRODUCTION			
Big Bend (4 units)	1,707	635,362,359	372
Gannon (6 units)	1,120	128,760,051	115
Hookers Point-Oil (5 units)	196	(6,872,412)	(35)
Dinner Lake-Oil (1 unit)	11	(247,251)	(22)
Plant Sites: OTHER PRODUCTION			
Big Bend Station (3 units)	136	2,981,738	22
Gannon Station (1 unit)	12	131,007	11
Phillips Station (4 units)	38	19,525,751	514
Polk Station (1 unit)	250	445,187,435	1,781

*Total summer MW capability is 3,470. However, three units are currently on reserve shutdown (15 MW).

FLORIDA INVESTOR-OWNED UTILITIES - SUMMARY OF AVERAGE BOOK COST OF GENERATION

GULF POWER COMPANY	**Summer MW Capability**	**Total Net Plant Investment ($)**	**Average Book Cost of Generation ($/KW)**
TOTAL SYSTEM	2,253	457,821,519	203
Plant Sites: STEAM PRODUCTION			
Daniel Plant (2 units)	523	115,362,817	221
Crist Plant (7 units)	1,020	176,937,385	173
Scholz Plant (2 units)	92	1,448,746	16
Smith Plant (2 units)	352	42,612,511	121
Scherer Plant (1 unit)	219	111,486,435	509
Plant Sites: OTHER PRODUCTION			
Smith (1 unit)	32	297,860	9
Pace (Pea Ridge) (3 units)	15	9,675,765	645

12/31/1999 FLORIDA POWER & LIGHT DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING*	(D) DISMANTLEMENT**	(E) [B + C + D] TOTAL ACCUMULATED DEPRECIATION	(F) [A - E] NET BOOK VALUE
STEAM PRODUCTION								
Cape Canaveral								
Common			14,889,723	9,615,634	0	2,351,946	11,967,580	2,922,143
Unit 1	Apr. 1965	403 / 406	77,831,582	56,732,875	0	4,964,203	61,697,078	16,134,504
Unit 2	May 1969	401 / 404	64,205,154	54,091,030	0	4,467,468	58,558,498	5,646,656
TOTAL Cape Canaveral		804 / 810	156,926,459	120,439,539	0	11,783,617	132,223,156	24,703,303
Cutler								
Common			10,146,768	8,155,410	0	223,633	8,379,043	1,767,725
Unit 5	Nov. 1954	71 / 72	13,453,003	12,378,940	0	2,128,029	14,506,969	(1,053,966)
Unit 6	Jul. 1955	144 / 145	22,128,062	20,793,217	0	3,735,029	24,528,246	(2,400,184)
TOTAL Cutler		215 / 217	45,727,833	41,327,567	0	6,086,691	47,414,258	(1,686,425)
Ft. Myers (Remaining)								
Common			9,991,074	5,177,080	0	3,268,219	8,445,299	1,545,775
Unit 1	Nov. 1958	141 / 142	7,975,780	6,184,247	0	4,573,084	10,757,331	(2,781,551)
Unit 2	Jul. 1969	402 / 402	20,815,470	11,195,734	0	6,361,188	17,556,922	3,258,548
TOTAL Ft. Myers (Remaining)		543 / 544	38,782,324	22,557,061	0	14,202,492	36,759,552	2,022,772
Ft. Myers (Retiring)								
Common			6,724,861	5,918,270	0	0	5,918,270	806,591
Unit 1	Nov. 1958	SEE ABOVE	10,259,766	9,967,951	0	0	9,967,951	291,815
Unit 2	Jul. 1969	SEE ABOVE	26,391,652	24,088,436	0	0	24,088,436	2,303,216
TOTAL Ft. Myers (Retiring)		SEE ABOVE	43,376,279	39,974,657	0	0	39,974,657	3,401,622
Manatee								
Common			104,078,157	69,665,299	0	8,468,733	78,134,032	25,944,125
Unit 1	Oct. 1976	815 / 822	149,470,602	114,302,418	0	7,530,462	121,832,880	27,637,722
Unit 2	Dec. 1977	810 / 817	133,131,807	99,916,228	0	6,915,298	106,831,526	26,300,281
TOTAL Manatee		1,625 / 1,639	386,680,566	283,883,945	0	22,914,493	306,798,438	79,882,128
Martin								
Common			261,911,925	166,630,507	0	12,023,745	178,654,252	83,257,673
Pipeline			370,942	247,596	0	0	247,596	123,346
Unit 1	Dec. 1980	821 / 833	236,813,383	177,280,724	0	7,447,536	184,728,260	52,085,123
Unit 2	Jun. 1981	810 / 821	214,862,456	165,631,034	0	6,965,894	172,596,928	42,265,528
TOTAL Martin		1,631 / 1,654	713,958,706	509,789,861	0	26,437,175	357,572,784	356,385,922

*Decommissioning is the expected cost to totally remove and dispose of a nuclear power plant.

**Dismantlement is the expected cost to totally remove and dispose of any other (coal, oil, gas, etc.) generation plant.

FLORIDA INVESTOR-OWNED UTILITIES - NET BOOK VALUE

DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING	(D) DISMANTLEMENT	(E) (B + C + D) TOTAL ACCUMULATED DEPRECIATION	(F) (A - E) NET BOOK VALUE
12/31/1999								
FLORIDA POWER & LIGHT								
PALATKA (has been retired)								
Common	N/A	0 / 0	0	0	0	(3,545)	(3,545)	3,545
Unit 1	N/A	0 / 0	0	0	0	1,671,741	1,671,741	(1,671,741)
Unit 2	N/A	0 / 0	0	0	0	4,097,463	4,097,463	(4,097,463)
TOTAL Palatka	N/A	0 / 0	0	0	0	5,765,659	5,765,659	(5,765,659)
Pt. Everglades								
Common			30,311,396	23,028,313	0	4,699,302	27,727,615	2,583,781
Unit 1	Jun. 1960	221 / 222	31,739,764	29,830,308	0	5,084,290	34,914,598	(3,174,834)
Unit 2	Apr. 1961	221 / 222	30,682,273	27,891,154	0	4,929,936	32,821,090	(2,138,817)
Unit 3	Jul. 1964	390 / 392	72,574,065	63,149,020	0	6,104,862	69,253,882	3,320,183
Unit 4	Apr. 1965	410 / 412	82,371,166	72,134,928	0	5,870,422	78,005,350	4,365,816
TOTAL Pt. Everglades		1,242 / 1,248	247,678,664	216,033,723	0	26,688,812	242,722,535	4,956,129
Riviera								
Common			13,011,082	9,784,067	0	2,469,786	12,253,853	757,229
Unit 2 (has been retired)	N/A	0 / 0	0	0	0	168,462	168,462	(168,462)
Unit 3	Jun. 1962	283 / 283	41,551,901	37,727,581	0	4,339,443	42,067,024	(515,123)
Unit 4	Mar. 1963	290 / 292	35,197,086	30,266,360	0	4,113,644	34,380,004	817,082
TOTAL Riviera		573 / 575	89,760,069	77,778,008	0	11,091,335	88,869,343	890,726
Sanford (Remaining)								
Common			28,423,535	14,057,423	0	1,085,993	15,143,416	13,280,119
Unit 1 (has been retired)	N/A	0 / 0	0	0	0	366,351	366,351	(366,351)
Unit 2 (has been retired)	N/A	0 / 0	0	0	0	366,351	366,351	(366,351)
Unit 3	May 1959	152 / 154	8,086,365	6,125,443	0	4,073,157	10,198,600	(2,112,235)
Unit 4	Jul. 1969	391 / 394	20,562,526	9,372,809	0	6,016,635	15,389,444	5,173,082
Unit 5	May 1974	391 / 394	52,264,287	38,834,005	0	5,591,236	44,425,241	7,839,046
TOTAL Sanford (Remaining)		934 / 942	109,336,713	68,389,680	0	17,499,723	85,889,403	23,447,310

12/31/1999							*(E)*	
FLORIDA POWER & LIGHT							*(B + C + D)*	*(F)*
		MW	*(A)*	*(B)*	*(C)*	*(D)*	TOTAL	*(A - E)*
DESCRIPTION	IN SERVICE	CAPABILITY	INVESTMENT	ACCUMULATED	DECOMMISSIONING	DISMANTLEMENT	ACCUMULATED	NET BOOK
	DATES	(S / W)		DEPRECIATION			DEPRECIATION	VALUE
Sanford (Retiring Investments)								
Common			3,207,775	2,058,866	0	0	2,058,866	1,148,909
Unit 3	May 1959	SEE PREV. PAGE	9,712,771	8,750,721	0	0	8,750,721	962,050
Unit 4	Jul. 1969	SEE PREV. PAGE	34,971,671	30,396,268	0	0	30,396,268	4,575,403
TOTAL Sanford (Retiring Investments)		SEE PREV. PAGE	47,892,217	41,205,855	0	0	41,205,855	6,686,362
Scherer								
Coal Cars			27,075,403	10,002,973	0	0	10,002,973	17,072,430
Common (Site)			68,213,973	40,701,428	0	3,458,807	44,160,235	24,053,738
Common 3 & 4			17,959,337	9,056,227	0	763,556	9,819,783	8,139,554
Unit 4	Jul. 1988	658 / 666	455,225,209	206,650,926	0	3,070,029	209,720,955	245,504,254
TOTAL Scherer		658 / 666	568,473,922	266,411,554	0	7,292,392	263,700,973	304,772,949
SJRPP								
Coal & Limestone			38,885,667	16,670,842	0	888,505	17,559,347	21,326,320
Coal Cars			2,842,146	2,743,919	0	0	2,743,919	98,227
Common			43,774,435	18,859,280	0	2,275,935	21,135,215	22,639,220
Gypsum & Ash			18,976,734	10,513,180	0	254,131	10,767,311	8,209,423
Unit 1	Apr. 1987	127 / 130	117,615,540	57,315,090	0	8,300,671	65,615,761	51,999,779
Unit 2	Jul. 1988	127 / 130	104,645,460	48,412,685	0	4,451,783	52,864,468	51,780,992
TOTAL SJRPP		254 / 260	326,739,982	154,514,996	0	16,171,025	170,686,021	156,053,961
Turkey Point								
Common			16,453,783	10,967,359	0	2,440,782	13,408,141	3,045,642
Unit 1	Apr. 1967	410 / 411	77,896,235	54,825,014	0	6,039,141	60,864,155	17,032,080
Unit 2	Apr. 1968	400 / 403	55,296,184	35,464,082	0	5,605,011	41,069,093	14,227,091
TOTAL Turkey Point		810 / 814	149,646,202	101,256,455	0	14,084,934	115,341,389	34,304,813
Dismantlement -All Power Plants					0	37,515,232		
TOTAL Steam Production		9,289 / 9,369	2,924,979,936	1,943,562,900	0	217,533,577	2,161,096,477	763,883,459
Land and Land Rights			31,046,752	0	0	0	0	31,046,752
Land and Miscellaneous			0	1,119,147	0	0	1,119,147	1,119,147
TOTAL Steam Production Plant			2,956,026,688	1,944,682,047	0	217,533,577	2,162,215,624	793,811,064

12/31/1999 FLORIDA POWER & LIGHT DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING	(D) DISMANTLEMENT	(E) (B + C + D) TOTAL ACCUMULATED DEPRECIATION	(F) (A - E) NET BOOK VALUE
NUCLEAR PRODUCTION								
Turkey Point								
Common			343,936,877	207,637,078	0	0	207,637,078	136,299,799
Unit 3	Dec. 1972	693 / 717	393,916,122	292,352,796	269,954,439	0	562,307,235	(168,391,113)
Unit 4	Sep. 1973	693 / 717	472,776,693	317,549,066	300,364,107	0	617,913,173	(145,136,480)
TOTAL Turkey Point		1,386 / 1,434	1,210,629,692	817,538,940	570,318,546	0	1,387,857,486	(177,227,794)
St. Lucie								
Common			454,642,545	234,679,385	15,751,766	0	250,431,151	204,211,394
Unit 1	May 1976	839 / 853	670,711,807	372,495,231	315,620,680	0	688,115,911	(17,404,104)
Unit 2	Jun. 1983	714 / 726	1,172,428,690	660,232,375	231,844,753	0	892,077,128	280,351,562
St. Lucie Total		1,553 / 1,579	2,297,783,042	1,267,406,991	563,217,199	0	1,830,624,190	467,158,852
Sub-Total Nuclear Production		2,939 / 3,013	3,508,412,734	2,084,945,931	1,133,535,745	0	3,218,481,676	289,931,058
Land and Land Rights			12,590,564	0	0	0	0	12,590,564
Unallocated Nuclear Production			0	98,666,667	22,629,068	0	121,295,735	(121,295,735)
FAS 115			0	0	255,111,769	0	255,111,769	(255,111,769)
TOTAL Nuclear Production Plant			3,521,003,298	2,183,612,598	1,411,276,582	0	3,594,889,180	(73,885,882)

12/31/1999 FLORIDA POWER & LIGHT DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING	(D) DISMANTLEMENT	(E) (B + C + D) TOTAL ACCUMULATED DEPRECIATION	(F) (A - E) NET BOOK VALUE
OTHER PRODUCTION								
Gas Turbines							0	0
Fort Myers (12 units)	May 1974 (all)	636 / 769	60,619,349	53,440,794	0	1,854,254	55,295,048	5,324,301
Lauderdale GTs (24 units)	Aug. 1970-Aug. 1972	840 / 1,018	82,230,809	73,178,876	0	263,537	73,442,413	8,788,396
PT Everglades GTs (12 units)	Aug. 1971 (all)	420 / 509	44,484,141	42,149,026	0	289,066	42,438,092	2,046,049
TOTAL Gas Turbine Production		1,896 / 2,296	187,334,299	168,768,696	0	2,406,858	171,175,553	16,158,746
COMBINED CYCLES								
Lauderdale								
Common			118,123,762	40,681,391	0	0	40,681,391	77,442,371
Unit 4	May 1993	430 / 475	205,755,072	73,156,083	0	2,577,902	75,733,985	130,021,087
Unit 5	June 1993	430 / 475	197,256,293	73,826,665	0	2,014,660	75,841,325	121,414,968
TOTAL Combined Cycles		860 / 950	521,135,127	187,664,139	0	4,592,562	192,256,701	328,878,426
Martin								
Common			101,396,966	29,328,817	0	456,727	29,785,544	71,611,422
Pipeline			13,292,886	7,784,473	0	0	7,784,473	5,508,413
Unit 3	Feb. 1994	475 / 500	193,549,846	51,030,771	0	1,813,382	52,844,153	140,705,693
Unit 4	Apr. 1994	475 / 500	189,637,090	54,761,142	0	1,165,668	55,926,810	133,710,280
TOTAL Martin		950 / 1,000	497,876,788	142,905,203	0	3,435,778	146,340,980	351,535,808
Putnam								
Common			33,305,882	21,928,847	0	3,163,434	25,092,281	8,213,601
Unit 1	Apr. 1978	249 / 297	63,482,804	36,633,347	0	611,755	37,245,102	26,237,702
Unit 2	Aug. 1977	249 / 297	63,143,956	37,583,906	0	620,869	38,204,775	24,939,181
TOTAL Putnam		498 / 594	159,932,642	96,146,100	0	4,396,058	100,542,158	59,390,484
TOTAL Other Production		4,204 / 4,840	1,366,278,856	595,484,138	0	14,831,256	610,315,392	755,963,464
Land and Land Rights			2,830,023	0	0	0	0	2,830,023
TOTAL Other Production Plant			1,369,108,879	595,484,138	0	14,831,255	610,315,393	758,793,486
UNALLOCATED PRODUCTION PLANT			0	69,600,453	0	0	0	0
TOTAL Production		16,432 / 17,222 *	7,846,138,865	4,723,778,783	1,411,276,582	232,364,832	6,367,420,197	1,478,718,668

*Numbers do not include 12 MW assigned to Turkey Point Unit 5.

FLORIDA INVESTOR-OWNED UTILITIES - NET BOOK VALUE

12/31/1999

FLORIDA POWER CORPORATION

DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING	(D) DISMANTLEMENT	(E) [B + C + D] TOTAL ACCUMULATED DEPRECIATION	(F) [A - E] NET BOOK VALUE
STEAM PRODUCTION								
Anclote-Oil (2 units)	Oct. 1974 & Oct. 1978	993 / 1,044	250,702,084	150,488,915	0	12,926,022	163,414,937	87,287,147
Bartow-Oil (3 units)	Sep. 1958-Jul. 1963	444 / 452	114,955,968	74,654,958	0	16,959,403	91,614,361	23,341,607
Crystal River 1 & 2-Coal (2 units)	Oct. 1966 & Nov. 1969	853 / 862	345,719,495	209,187,761	0	23,756,726	232,944,487	112,775,008
Crystal River 4 & 5-Coal (2 units)	Dec. 1982 & Oct. 1984	1,429 / 1,454	882,547,647	472,268,301	0	30,813,407	503,081,708	379,465,939
Suwannee-Oil (3 units)	Nov. 1953-Oct. 1956	143 / 146	30,132,186	26,477,733	0	10,026,987	36,504,720	(6,372,534)
Bartow-Anclote Pipeline-Oil			16,223,649	7,533,156	0	1,841,597	9,374,753	6,848,896
Crystal River 1 & 2 Coal Pile			1,029,450	1,029,450	0	0	1,029,450	0
Crystal River 4 & 5 Coal Pile			1,727,433	1,727,433	0	0	1,727,433	0
Steam System 5 Yr Amortization			1,003,685	391,536	0	0	391,536	612,149
Steam System 7 Yr Amortization			130,515	25,217	0	0	25,217	105,298
Land			6,538,744	0	0	0	0	6,538,744
Higgins (4 units)	Mar. 1969-Jan. 1971	SEE NEXT PAGE	0		0	11,398,871	11,398,871	(11,398,871)
Turner (4 units)	Oct. 1970-Aug. 1974	SEE NEXT PAGE	0	0	0	8,345,002	8,345,002	(8,345,002)
Avon Park (2 units)	Dec. 1968 (both)	SEE NEXT PAGE	0	0	0	5,107,815	5,107,815	(5,107,815)
Inglis (has been retired)	N/A	0 / 0	0	0	0	51,783	51,783	(51,783)
TOTAL Steam Production		3,862 / 3,958	1,650,710,856	943,784,460	0	121,227,613	1,065,012,073	585,698,783
NUCLEAR PRODUCTION								
Crystal River 3	Mar. 1977	774 / 792	766,651,112	400,556,436	285,018,964	0	685,575,400	81,075,712
Land			41,218	0	0	0	0	41,218
TOTAL Nuclear Production		774 / 792	766,692,330	400,556,436	285,018,964	0	685,575,400	81,116,930

12/31/1999 **FLORIDA POWER CORPORATION** DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DECOMMISSIONING	(D) DISMANTLEMENT	(E) [B + C + D] TOTAL ACCUMULATED DEPRECIATION	(F) [A - E] NET BOOK VALUE
OTHER PRODUCTION								
Avon Park (2 units)	Dec. 1968 (both)	52 / 64	8,423,603	6,364,565	0	322,181	6,686,746	1,736,857
Barrow (4 units)	May 1972-Jun. 1972	187 / 219	21,049,021	13,266,028	0	751,783	14,017,811	7,031,210
Bayboro (4 units)	Apr. 1973 (all)	184 / 232	19,753,591	15,070,126	0	1,626,980	16,697,106	3,056,485
Debary (6 units)	Dec. 1975-Apr. 1976	324 / 390	48,151,982	26,706,770	0	1,067,605	27,774,375	20,377,607
Higgins (4 units)	Mar. 1969-Jan. 1971	122 / 134	16,282,455	13,517,224	0	616,381	14,133,605	2,148,850
Intercession City (6 units)	May 1974 (all)	294 / 366	30,230,926	19,862,732	0	830,748	20,693,480	9,537,446
Rio Pinar (1 unit)	Nov. 1970	13 / 16	2,350,652	1,939,484	0	568,020	2,507,504	(156,852)
Suwannee (3 units)	Oct. 1980-Nov. 1980	164 / 201	28,420,113	17,469,213	0	402,360	17,871,573	10,548,540
Turner (4 units)	Oct. 1970	154 / 194	20,494,473	14,233,342	0	690,434	14,923,776	5,570,697
Debary (New)--(4 units)	Oct. 1992 (all)	319 / 372	96,158,754	20,674,663	0	1,733,166	22,407,829	73,750,925
Intercession City (New)--(4 units)	Oct. 1993 (all)	352 / 376	97,618,703	20,121,277	0	1,262,618	21,383,895	76,234,808
Gas Conversion Sites			14,476,370	0	0	7,299,489	7,299,489	7,176,881
University of Florida (New)	Jan. 1994	35 / 41	42,057,260	13,377,568	0	531,545	13,909,113	28,148,147
Intercession City - Siemens	Jan. 1997	0 / 170	22,239,980	2,679,802	0	0	2,679,802	19,560,178
Tiger Bay (2 units)	Aug. 1997 (both)	207 / 223	78,155,158	11,107,851	0	328,933	11,436,784	66,718,374
Hines Energy Complex (3 units)	Apr. 1999 (all)	482 / 529	263,239,094	10,176,916	0	0	10,176,916	253,062,178
System 5 year			30,277	8,030	0	0	8,030	22,247
Port St. Joe (has been retired)	N/A	0 / 0	0	0	0	489,803	489,803	(489,803)
TOTAL			809,132,412	206,575,591	0	18,522,046	225,097,637	584,034,775
Land and Land Rights			16,546,153	0	0	0	0	16,546,153
TOTAL Other Production		2,889 / 3,527	825,678,565	206,575,591	0	18,522,046	225,097,637	600,580,928
TOTAL Production		7,525 / 8,277	3,243,081,751	1,550,916,487	285,018,964	139,749,659	1,975,685,110	1,267,396,641

12/31/1999 TAMPA ELECTRIC COMPANY DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DISMANTLEMENT	(D) (B + C) TOTAL ACCUMULATED DEPRECIATION	(E) (A - D) NET BOOK VALUE
STEAM PRODUCTION							
Big Bend Common			123,531,063	51,168,709	4,777,209	55,945,918	67,585,145
Big Bend Unit 1	Oct. 1970	416 / 426	95,340,346	44,547,174	8,046,453	52,593,627	42,746,719
Big Bend Unit 2	Apr. 1973	416 / 426	90,868,366	39,265,635	5,433,832	44,699,467	46,168,898
Big Bend Unit 3	May 1976	433 / 443	152,135,233	78,338,344	4,931,820	83,270,164	68,865,069
Big Bend Unit 4	Feb. 1985	442 / 447	383,327,247	144,277,747	13,262,518	157,540,265	225,786,982
Big Bend Unit 4 FGD			175,262,783	66,962,273	5,494,207	72,456,480	102,806,303
Big Bend Tools Amortization			2,136,406	1,268,035	0	1,268,035	868,371
Big Bend Units 1 & 2 FGD			80,139,184	(395,688)	0	(395,688)	80,534,872
TOTAL Big Bend Station - Coal		1707 / 1742	1,102,740,628	425,432,231	41,946,039	467,378,270	635,362,359
Gannon Common			110,669,990	64,025,163	3,294,926	67,320,089	43,349,901
Gannon Unit 1	Sep. 1957	114 / 114	41,796,776	36,178,611	6,964,732	43,143,343	(1,346,566)
Gannon Unit 2	Nov. 1958	98 / 98	45,083,505	38,819,779	5,466,535	44,286,314	797,192
Gannon Unit 3	Oct. 1960	145 / 155	60,797,283	49,067,749	5,417,718	54,485,467	6,311,816
Gannon Unit 4	Nov. 1963	159 / 169	64,588,900	49,167,096	4,629,009	53,796,105	10,792,794
Gannon Unit 5	Nov. 1965	232 / 242	54,407,392	26,989,331	4,310,319	31,299,650	23,107,742
Gannon Unit 6	Oct. 1967	372 / 392	87,075,670	37,556,305	4,298,106	41,854,411	45,221,259
Gannon Tools Amortization			1,524,989	999,076	0	999,076	525,913
TOTAL Gannon Station - Coal		1120 / 1170	465,944,506	302,803,110	34,381,345	337,184,455	128,760,051
Hookers Point-Oil (5 units)	Jul. 1948-May 1955	196 / 204	53,458,562	49,693,838	10,637,136	60,330,974	(6,872,412)
Dinner Lake-Oil (1 unit)*	Dec. 1966	11 / 11	3,621,251	3,465,202	403,300	3,868,502	(247,251)
Common			8,445,144	4,326,269	0	4,326,269	4,118,875
TOTAL Steam		3034 / 3127	1,634,210,091	785,720,649	87,367,820	873,088,469	761,121,622

*On reserve shutdown

FLORIDA INVESTOR-OWNED UTILITIES - NET BOOK VALUE

12/31/1999 TAMPA ELECTRIC COMPANY DESCRIPTION	IN SERVICE DATES	MW CAPABILITY (S / W)	(A) INVESTMENT	(B) ACCUMULATED DEPRECIATION	(C) DISMANTLEMENT	(D) (B + C) TOTAL ACCUMULATED DEPRECIATION	(E) (A - D) NET BOOK VALUE
OTHER PRODUCTION							
Big Bend Station							
Combustion Turbine #1	Feb. 1969	12 / 17	1,758,260	1,632,211	0	1,632,211	126,049
Combustion Turbine #2 & #3	Nov. 1974 (both)	124 / 160	20,792,179	17,936,489	343,940	17,936,489	2,855,690
TOTAL Big Bend Station		136 / 177	22,550,438	19,568,700	343,940	19,568,700	2,981,738
Gannon Station (1 unit)	Mar. 1969	12 / 17	1,865,194	1,734,187	67,240	1,734,187	131,007
Phillips Station (4 units)**	Jan. 1956-Jun. 1983	38 / 38	59,919,513	40,393,762	974,767	40,393,762	19,525,751
Polk Station (1 unit)	Sep. 1996	250 / 250	512,070,603	66,883,168	3,865,705	66,883,168	445,187,435
TOTAL Other Production		436 / 482	596,405,748	128,579,817	5,251,652	133,831,469	462,574,280
Sub-Total Steam & Other Production		3,470 / 3,609	2,230,615,840	914,300,466	92,619,472	914,300,466	1,316,315,374
Non-Depreciable Property-Land			25,976,667	0	0	0	25,976,667
TOTAL Production		3,470 / 3,609	2,256,592,507	914,300,466	92,619,472	1,006,919,938	1,249,672,569
TOTAL Production accounting for reserve shutdowns (3 units: 15 MW)		3,455 / 3,594					

**Two Phillips units on reserve shutdown

FLORIDA INVESTOR-OWNED UTILITIES - NET BOOK VALUE

12/31/1999						(D)	
GULF POWER COMPANY						(B + C)	(E)
		MW	(A)	(B)	(C)	TOTAL	(A - D)
DESCRIPTION	IN SERVICE	CAPABILITY	INVESTMENT	ACCUMULATED	DISMANTLEMENT	ACCUMULATED	NET BOOK
	DATES	(S / W)		DEPRECIATION		DEPRECIATION	VALUE
STEAM PRODUCTION							
Daniel Plant (2 units)	Sep. 1977 & Jun. 1981	523 / 523	227,493,332	101,872,485	10,258,030	112,130,515	115,362,817
Crist Plant (7 units)	Jan. 1945-Aug. 1973	1,020 / 1,020	389,194,660	179,546,590	32,710,685	212,257,275	176,937,385
Scholz Plant (2 units)	Mar. 1953 & Oct. 1953	92 / 92	29,249,232	20,733,185	7,067,301	27,800,486	1,448,746
Smith Plant (2 units)	Jun. 1965 & Jun. 1967	352 / 352	113,563,169	58,397,368	12,553,290	70,950,658	42,612,511
Scherer Plant (1 unit)	Jan. 1987	219 / 219	176,032,622	60,587,918	3,958,269	64,546,187	111,486,435
TOTAL Steam Production		2,206 / 2,206	935,533,015	421,137,546	66,547,575	487,685,121	447,847,894
OTHER PRODUCTION							
Smith (1 unit)	May 1971	32 / 40	4,341,535	3,965,317	78,358	4,043,675	297,860
Pace (Pea Ridge) (3 units)	May 1998	15 / 15	10,481,919	806,154	0	806,154	9,675,765
TOTAL Other Production		47 / 55	14,823,454	4,771,471	78,358	4,849,829	9,973,625
TOTAL Production		2,253 / 2,261	950,356,469	425,909,017	66,625,933	492,534,950	457,821,519