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June 25, 2002

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

020566-EI

Re: Petition of Tampa Electric Company for approval of a recovery schedule for two Gannon Station generating units effective January 1, 2002

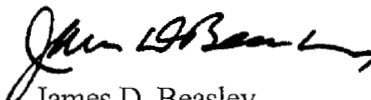
Dear Ms. Bayo:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Petition of Tampa Electric Company for Approval of a Recovery Schedule for Two Gannon Station Generating Units Effective January 1, 2002.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Enclosures

DOCUMENT NUMBER DATE

06530 JUN 25 02

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for approval of a recovery schedule for two)
Gannon Station generating units effective)
January 1, 2002)
_____)

DOCKET NO.
FILED: June 25, 2002

**PETITION OF TAMPA ELECTRIC COMPANY FOR APPROVAL
OF A RECOVERY SCHEDULE FOR TWO GANNON STATION
GENERATING UNITS EFFECTIVE JANUARY 1, 2002**

Pursuant to Rule 25-6.0436(5), Florida Administrative Code, Tampa Electric Company (“Tampa Electric” or “the company”) files its Petition for Approval of a Recovery Schedule for the Steam Turbine and Related Equipment of two Gannon Station Generating Units Effective January 1, 2002, and says:

1. The name and address of the company are as follows:

Tampa Electric Company
702 N. Franklin Street
Post Office Box 111
Tampa, FL 33601-0111

2. The name and address of the persons authorized to receive notices and communications for Tampa Electric with respect to this Petition are:

Angela Llewellyn, Administrator
Regulatory Affairs
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601-0111

Lee L. Willis
James D. Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302

3. Tampa Electric plans to accelerate the retirement date of the steam turbine and related equipment for two generating assets. Gannon Units 1 and 2, previously scheduled to be

retired on December 31, 2007 and December 31, 2008, respectively, will now be retired effective December 31, 2004.

4. To ensure Tampa Electric's Ten-Year Site Plan and the company's books and records accurately reflect operating conditions and generation planning considerations, Tampa Electric must make certain adjustments to its depreciation recovery schedule regarding the steam turbine and related equipment for the two generating units. Gannon Units 1 and 2 were to be retired on December 31, 2007 and 2008. The company has determined that the Gannon Station steam turbine and related equipment will not be economically viable for natural gas repowering. The assets will now retire by December 31, 2004, which coincides with the company's Consent Decree agreement with the Environmental Protection Agency ("the EPA"). The Consent Decree agreement with the EPA establishes that coal will no longer be burned at the Gannon Station after December 31, 2004.

5. Rule 25-6.0436(10)(a), Florida Administrative Code, provides:

Prior to the date of retirement of major installations, the Commission may approve capital recovery schedules to correct associated calculated deficiencies where a utility demonstrates that (1) replacement of an installation or group of installations is prudent and (2) the associated investment will not be recovered by the time of retirement through the normal depreciation process.

Tampa Electric proposes a recovery schedule commencing on January 1, 2002 and ending on December 31, 2004 for its Gannon Station Units 1 and 2 steam turbine and related equipment to match the accelerated retirement of the assets. The remaining investment in these assets will be amortized in the same manner as the retiring coal assets at Gannon Station, previously approved by the Commission in Order No. PSC-00-2275-PAA-EI, issued in Docket No. 000686-EI on November 30, 2000.

6. The company currently does not have a modified dismantlement plan for Gannon Units 1 and 2. The dismantlement dates established in the company's last approved depreciation study remain reasonable. Dismantling for Gannon Units 1 and 2 would commence in 2007 and be completed by 2009.

7. An updated dismantlement study is expected to be filed in 2003 along with the company's required depreciation study. Preliminary estimates in the new dismantlement study indicate there is enough reserve for Gannon Units 1 & 2 to fully recover the expected 2007 to 2009 dismantlement costs of these units by year-end 2004, which is the end of their useful life. Therefore, no change to the accrual is necessary at this time.

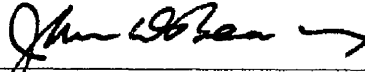
8. Attached hereto as Composite Exhibit A are three schedules reflecting a comparison of current and proposed depreciation rates and components, the proposed change in annual accruals and a comparison of reserve (actual vs. theoretical).

9. Tampa Electric is not aware of any disputed issues of material fact relating to the matters proposed herein.

WHEREFORE, Tampa Electric, in accordance with Rule 25-6.0436(10)(a), Florida Administrative Code, requests that recovery schedules be approved to commence on January 1, 2002 and to end on December 31, 2004 for its steam turbine and related equipment at Gannon Station Units 1 and 2 (three year amortization) to increase depreciation to match the accelerated retirement date for the generating assets in question. The company further requests, in accordance with Rule 25-6.0436(5), Florida Administrative Code, the entry of an order establishing an effective date of January 1, 2002 for the company to reflect on its books and records and the interim implementation of the proposed recovery schedule, subject to adjustment when the recovery schedule is approved.

DATED this 25th day of June 2002.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

TAMPA ELECTRIC COMPANY
2002 Depreciation Rate Review
Comparison of Rates and Components

- Current Rates - Effective 1/1/00 - -----Company Proposed - Effective 1/1/02 -----
-----Remaining Life-----
-----Total Plant-----

Account Number	Account Title	Average Remaining Life (yrs)	Future Net Salvage (%)	Composite Rate (%)	Average Age (yrs)	Average Remaining Life (yrs)	Actual A/D Ratio 12/01 (%)	Future Net Salvage (%)	Depreciation Rate (%)
<u>STEAM PRODUCTION</u>									
<u>BAYSIDE POWER STATION</u>									
311310	UNIT No 1	7.2	(1)	2.3	n/a	n/a	n/a	n/a	n/a
314310	UNIT No. 1	6.5	(1)	4.6	n/a	n/a	n/a	n/a	n/a
315310	UNIT No 1	5.8	(1)	4.0	n/a	n/a	n/a	n/a	n/a
316310	UNIT No 1	7.3	(1)	2.5	n/a	n/a	n/a	n/a	n/a
311320	UNIT No. 2	8.4	(1)	4.4	n/a	n/a	n/a	n/a	n/a
314320	UNIT No. 2	7.6	(1)	3.9	n/a	n/a	n/a	n/a	n/a
315320	UNIT No 2	7.3	(1)	3.9	n/a	n/a	n/a	n/a	n/a
316320	UNIT No 2	6.6	(2)	2.6	n/a	n/a	n/a	n/a	n/a
<u>GANNON OBO</u>									
311760	UNIT No. 1	7.5	0	4.6	n/a	n/a	n/a	n/a	n/a
312760	UNIT No. 1	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
314760	UNIT No. 1	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
315760	UNIT No. 1	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
316760	UNIT No. 1	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
311770	UNIT No. 2	8.5	0	4.4	n/a	n/a	n/a	n/a	n/a
312770	UNIT No 2	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
314770	UNIT No 2	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
315770	UNIT No. 2	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a
316770	UNIT No. 2	0.0	0	n/a	n/a	n/a	n/a	n/a	n/a

TAMPA ELECTRIC COMPANY
2002 Depreciation Rate Review - Change in Annual Accruals

Account Number	Account Title	Total Plant 12/01 (\$)	Accumulated Depreciation 12/01 (\$)	Depreciation Rate (%)	Accrual on Total Plant (\$)	Current Rates	Company Proposed	Annual Accrual (\$)	Change in Annual Accruals (\$)
						Effective 1/1/00	Effective 1/1/02		
STEAM PRODUCTION									
311310	UNIT No. 1	715,569.10	639,382.40	2.3	16,458	n/a	n/a	25,396	8,938
314310	UNIT No. 1	8,976,757.81	7,111,271.37	4.6	412,931	n/a	n/a	621,829	208,898
315310	UNIT No. 1	1,111,090.36	951,656.96	4.0	44,444	n/a	n/a	53,144	8,700
316310	UNIT No. 1	91,180.23	79,700.20	2.5	2,280	n/a	n/a	3,827	1,547
311320	UNIT No. 2	1,355,646.83	986,078.25	4.4	59,648	n/a	n/a	123,190	63,542
314320	UNIT No. 2	11,074,200.11	8,623,092.74	3.9	431,894	n/a	n/a	817,036	385,142
315320	UNIT No. 2	828,669.07	667,907.15	3.9	32,318	n/a	n/a	53,587	21,269
316320	UNIT No. 2	37,578.40	33,922.82	2.6	977	n/a	n/a	1,219	242
311760	UNIT No. 1	147,925.81	110,944.05	4.6	6,805	n/a	n/a	12,327	5,522
312760	UNIT No. 1	0.00	0.00	n/a	0	n/a	n/a	0	0
314760	UNIT No. 1	0.00	0.00	n/a	0	n/a	n/a	0	0
315760	UNIT No. 1	0.00	0.00	n/a	0	n/a	n/a	0	0
316760	UNIT No. 1	0.00	0.00	n/a	0	n/a	n/a	0	0
311770	UNIT No. 2	167,459.97	120,129.48	4.4	7,368	n/a	n/a	15,777	8,409
312770	UNIT No. 2	0.00	0.00	n/a	0	n/a	n/a	0	0
314770	UNIT No. 2	0.00	0.00	n/a	0	n/a	n/a	0	0
315770	UNIT No. 2	0.00	0.00	n/a	0	n/a	n/a	0	0
316770	UNIT No. 2	0.00	0.00	n/a	0	n/a	n/a	0	0
TOTAL STEAM PRODUCTION		24,506,077.69	19,324,085.42	4.1	1,015,123.00	n/a	n/a	1,727,330.76	712,207.76

TAMPA ELECTRIC COMPANY
Comparison of Reserve - Actual vs Theoretical

Account Number	Account Title	Total Plant 12/01 (\$)	Actual Accumulated Depreciation 12/01 (\$)	Actual A/D Ratio (%)	Calculated (Theoretical) A/D 12/01 (\$)	Theoretical A/D Ratio (%)	Actual Minus Theoretical (\$)	Actual over Theoretical (%)
STEAM PRODUCTION								
311310	UNIT No. 1	715,569.10	639,382.40	89.35	639,382.40	89.35	0.00	100
314310	UNIT No. 1	8,976,757.81	7,111,271.37	79.22	7,111,271.37	79.22	0.00	100
315310	UNIT No. 1	1,111,090.36	951,656.96	85.65	951,656.96	85.65	0.00	100
316310	UNIT No. 1	91,180.23	79,700.20	87.41	79,700.20	87.41	0.00	100
311320	UNIT No. 2	1,355,646.83	986,078.25	72.74	986,078.25	72.74	0.00	100
314320	UNIT No. 2	11,074,200.11	8,623,092.74	77.87	8,623,092.74	77.87	0.00	100
315320	UNIT No. 2	828,669.07	667,907.15	80.60	667,907.15	80.60	0.00	100
316320	UNIT No. 2	37,578.40	33,922.82	90.27	33,922.82	90.27	0.00	100
311760	UNIT No. 1	147,925.81	110,944.05	75.00	110,944.05	75.00	0.00	100
312760	UNIT No. 1	0.00	0.00	0.00	0.00	0.00	0.00	100
314760	UNIT No. 1	0.00	0.00	0.00	0.00	0.00	0.00	100
315760	UNIT No. 1	0.00	0.00	0.00	0.00	0.00	0.00	100
316760	UNIT No. 1	0.00	0.00	0.00	0.00	0.00	0.00	100
311770	UNIT No. 2	167,459.97	120,129.48	71.74	120,129.48	71.74	0.00	100
312770	UNIT No. 2	0.00	0.00	0.00	0.00	0.00	0.00	100
314770	UNIT No. 2	0.00	0.00	0.00	0.00	0.00	0.00	100
315770	UNIT No. 2	0.00	0.00	0.00	0.00	0.00	0.00	100
316770	UNIT No. 2	0.00	0.00	0.00	0.00	0.00	0.00	100
TOTAL STEAM PRODUCTION		24,506,077.69	19,324,085.42	78.85	19,093,011.89	77.91	0.00	101