



ORIGINAL

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Florida Power & Light Company, 215 S. Monroe St., Suite 810, Tallahassee, FL 32301

RECEIVED - FPSC

03 MAY -3 PM 1:56

COMMISSION CLERK

May 3, 2005

VIA HAND DELIVERY

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

Re: Request for Approval to Begin Depreciating Martin Unit No. 8 and Manatee Unit No. 3 Using Whole Life Depreciation Rates Currently Approved for Martin Power Plant, Unit 4

Dear Ms. Bayo:

Enclosed please find an original and seven copies of Florida Power & Light Company's request to begin depreciating Martin Unit No. 8 and Manatee Unit No. 3 using whole life depreciation rates currently approved for Martin Power Plant, Unit 4 and Common effective with the in-service date of the units.

Thank you for your assistance

Sincerely,

WFF
William F. Feaster

Enclosure

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - 04332

04332 MAY -3 05

FPSC-COMMISSION CLERK



April 29, 2005

Ms. Blanca Bayo
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Depreciation Rates for Martin Unit No. 8 and Manatee Unit No. 3

Dear Ms. Bayo:

Florida Power & Light Company (FPL) requests Commission approval to begin depreciating Martin Unit No. 8 (Martin Unit) and the Manatee Unit No. 3 (Manatee Unit) using the Whole Life Depreciation Rates currently approved for Martin Power Plant, Unit No. 4 and Common effective with the in-service date of the units. Both the Martin and Manatee Units are new units approved in Order No. PSC-02-1743-FOF-EI, issued on December 10, 2002 in Docket Nos. 020262-EI and 020263-EI, respectively.

The Martin Unit is being constructed on the Martin site. This site currently has Martin Units 1 and 2, which are 800 MW oil and gas fired conventional steam units, and Units 3 and 4, which are 500MW combined cycle units, each comprising two combustion turbine generators and one steam turbine generator. The Martin Unit is expected to go into service in July 2005. The Martin Unit will integrate the existing Combustion Turbine Units 8a and 8b, which are currently operating in simple cycle mode with two additional combustion turbines and four Heat Recovery Steam Generators (HRSG) and one steam turbine into a new Combined Cycle Unit. The new unit will be a 1,150MW rated combined cycle electric generation facility.

The Manatee Unit is being constructed on the Manatee site and is designed to minimize capital and operating costs through the use of the existing plant infrastructure. The Manatee Unit will be a 1150MW rated combined cycle generating facility utilizing four combustion turbines fueled with natural gas, each exhausting into a multi-pressure waste heat recovery steam generator, which will supply steam to a single common steam turbine generator. The Manatee Unit is expected to go into service in July, 2005.

DOCUMENT NUMBER - DATE

04332 MAY-3 05

FPSC-COMMISSION CLERK

Both the Martin Unit and Manatee Unit are similar to the units installed at Martin Unit No. 4 which 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 for these units can be prepared and reviewed and approved by the Commission. The application of whole life rates for these new units is appropriate because they are new plant additions and have not accumulated any depreciation; thus, their remaining life is equal to the whole life. For Martin Units 8a and 8b, the depreciation rates established for these Combustion Turbines were approved in Order No. PSC-01-1337-PAA-EI, issued on June 19, 2001 in Docket No. 010107-EI and were the whole life rates approved for Martin Unit No. 4 therefore there would be no change in the rates for 8a and 8b.

FPL will prepare and file site-specific depreciation and dismantlement studies for these units as soon as possible after the units have been placed in service and the plant dollars have been unitized. The use of the rates for this period should not significantly affect future recovery over the life of the units.

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 rates for Martin Unit 8 and Manatee Unit 3 become effective. 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 the Martin Combined Cycle Plant in Order No. PSC-99-0073-FOF-EI dated April 8, 1999.

If you have any questions, please contact me at (305) 552-2358.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Antonio Cuba". The signature is fluid and cursive, with a large, sweeping flourish at the end.

H. Antonio Cuba
Director Regulatory and Tax

cc: Ms. Betty Gardner
William G. Walker
R. Wade Litchfield

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			Service Life			Estimated Annual Accrual j	Service Life			Depreciation Rate			Estimated Annual Accrual p	Change In Annual Accrual q
					When Approved d	Average Life e	Remaining Life f	Net Salvage g	Whole Life h	Remaining Life i		Average Life k	Remaining Life l	Net Salvage m	Whole Life n	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 Accessories	\$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%	6.6	5.1	-2.0%	15.5%	16.1%	\$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%	16.9%	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		\$86,950,972	\$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 Accessories	\$867,253	\$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	\$128,543	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	\$16,484	
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%	\$60,062	25.0	21.0	-4.0%	4.2%	3.4%	\$63,815	\$3,753	
342.	Fuel Holders, Producers and Accessories	\$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%	\$1,890,862	\$47,712	
342.	Fuel Holders, Producers and Accessories	\$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%	16.8%	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)	