

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request of Florida Power & Light Company for approval of new depreciation rates for Unit 2 of the St Johns River Park and enhancements to Units 5 and 6 of the Cutler Plant.)	DOCKET NO. 881373-EI
)	ORDER NO. 21946
)	ISSUED: 9-27-89
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTIONORDER PRESCRIBING DEPRECIATION RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

As part of its filing in this docket, the Florida Power & Light Company (FPL or utility) requested implementation, on a preliminary basis, its proposed depreciation rates for St. Johns River Power Park Unit 2 and Cutler Common and Units 5 and 6. By Order No. 20654, FPL was authorized on an interim basis to implement rates on the lives and salvages it proposed but as modified by our Staff. The modifications included the removing of \$3,083,002 in 1988 expenses from a Cutler amortization schedule, and transferring it to a bottom-line Production Plant reserve. Order No. 20654 also provided that the interim rate would be adjusted, if necessary, upon completion of further review of the study.

The Commission Staff, upon further review of FPL's study, recommends certain additional modifications based on booked

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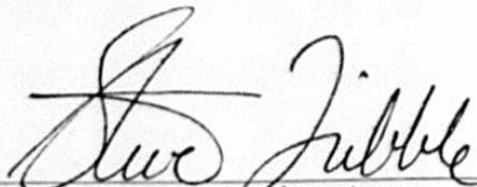
investments and reserves. Staff found a need for \$312,163 of the \$3,033,002 in the Cutler Station accounts. As shown on Attachment 1 the bottom-line reserve remaining in Production Plant will be \$2,690,839. Having reviewed the utility's study and having considered the additional modifications proposed by Staff, we find that FPL's rates should be represeted consistent with the Staff's recommendations. The specific rates and components approved by this Order are set forth in Attachment 1 to this Order. The new rates will decrease by about \$211,000 annually those approved by Order No. 20654 and the expenses booked to date during 1989 should be trued-up to conform to the rates approved here.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the depreciation rates set forth in Attachment 1 to this Order are hereby approved for Florida Power & Light Company's St. Johns River Power Park Unit 2 and Cutler Common and Units 5 and 6. It is further

ORDERED that this Order shall become final unless a petition for formal proceeding is received by the close of business on October 17, 1989.

By ORDER of the Florida Public Service Commission, this 27th day of SEPTEMBER, 1989.


 STEVE TRIBBLE, Director
 Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 17, 1989.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT 1

FLORIDA POWER AND LIGHT CO.
 ST. JOHNS RIVER UNIT 2, AND CUTLER PLANT
 REVISED DEPRECIATION RATES AS OF 1-1-89

ACCOUNT	RESV. %	WHOLE LIFE yrs.	NET SALV. %	DEPR. RATE %
St. Johns 2:				
Structures	NA	32.0	(12)	3.5
Boiler Plt. Eq.	NA	29.0	(10)	3.8
Turbogen.	NA	29.0	(8)	3.7
Access. Plt. Eq.	NA	28.0	(16)	4.1
Misc.	NA	12.5	(5)	8.4
Dismantlement costs:	NA	28.3	(30)	1.1

ACCOUNT	RESV. %	WHOLE LIFE yrs.	NET SALV. %	DEPR. RATE %
Cutler Common, 5 & 6:	*			
Structures	83.09	10.4	0	1.6
Boiler Plt. Eq.	89.86	10.2	0	1.0
Turbogen.	79.25	9.7	0	2.1
Access. Plt. Eq.	50.61	10.0	0	4.9
Misc.	62.21	10.1	0	3.7
Dismantlement costs:	NA	10.0	10.4	1.0

* Cutler reserves shown are Staff adjusted (See below).

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ACCOUNT	RESERVE TRANSFERS CUTLER COMMON AND UNITS 5 & 6		RESERVE TRANSFERS CUTLER COMMON AND UNITS 5 & 6	
	1-1-89	1-1-89	1-1-89	1-1-89
	BOOK RESERVE	TRANSFERS In (Out)	ADJUSTED RESERVE	
	\$	\$	\$	%
Structures	4,483,575	49,876	4,533,451	83.09
Boiler Plt. Eq.	11,073,037	82,020	11,155,057	89.86
Turbogen.	9,096,845	138,314	9,235,159	79.25
Access. Plt. Eq.	2,765,709	19,383	2,785,092	50.61
Misc.	491,935	22,570	514,505	62.21
Bottom-line				
Production Plant				
Reserve from				
Order No. 20654	3,003,002	(312,163)	2,690,839	
Net of transfers		0		