

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 950499-EI  
1995 Depreciation Study by Tampa ) ORDER NO. PSC-96-0399-FOF-EI  
Electric Company. ) ISSUED: MARCH 21, 1996  
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The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION ORDER  
APPROVING DEPRECIATION RATES AND PROVISION FOR DISMANTLEMENT

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On April 28, 1995, Tampa Electric Company (TECO or the Company) filed its regular quadrennial depreciation study in this docket. The previous comprehensive study was filed on December 31, 1991, resulting in Order No. 25619. In addition to setting appropriate recovery provisions for TECO's investment effective January 1, 1991, that order required the Company to file updated site-specific depreciation studies by June 30, 1992, for Big Bend and Gannon Stations. Based on the amended studies, revised depreciation rates were ordered for the investment relating to those two sites, effective January 1, 1992.

DECISION

In the current study, the Company has provided production plant investment stratified by Federal Energy Regulatory Commission (FERC) account for each unit at each steam generation site. Formerly, the breakdown of steam production plant investment was by unit for each site. Additionally, this study incorporates the development of a depreciation rate for the Polk Power Station

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slated to come on line in late 1996. Further, we are able to review the accrual which has been undertaken to provide for the dismantlement of fossil fueled generation plants following the retirement of those installations.

A comprehensive review of the Company's study was performed. The most significant changes to the annual accrual are seen in the production plant area. Currently, depreciation rates are developed by unit for each generating plant. The study proposes the development of depreciation rates and allocation of reserves by account by unit by plant site. This represents a further refinement because the stratified method of allocation affords the opportunity to provide recovery more closely matched to the life characteristics of investment comprising each account.

In the process of stratifying investment and developing remaining life rates by account by unit, TECO reallocated the total reserve for each unit among the constituent accounts. Each account's reserve was aligned with its theoretical reserve, as developed using the rates and parameters proposed in the Company's originally filed study.

TECO has utilized its continuing property record system to develop stratified categories expected to have homogenous life characteristics. The life of the account is then arrived at by compositing the life expectations of the various strata. This approach provides a more accurate determination of the required depreciation components than the historical approach of arriving at the pattern of interim retirement and life expectancy of the generating plant without identifying the contents or quantifying the varying life characteristics of the contained assets.

We find it necessary to make certain corrective reserve allocations. The reserve allocations are not substantially different from those proposed by the Company; rather they are a refinement incorporating the depreciation parameters which have been agreed upon in the review process. Reserve allocations are shown in Schedule A.

The appropriate depreciation rates and amortization schedules were examined. As a result of the review and analytical process, basic agreement on life and net salvage parameters has been reached with TECO subject to adjustments noted below.

TECO has proposed that official communication equipment be amortized over 10 years with property records maintained on a vintage group basis. The Company notes that use of amortization is in line with our efforts to simplify the depreciation study

process, where possible. We are amenable to the Company's proposal as it relates to communications equipment similar to that amortized by telecommunications companies. The remaining investment, however, relates to fiber cable and associated electronics. While early generations of this technology can be impacted by refinements in the technology and in installation procedures, there is no reason to believe that subsequent generations will not experience longer lives than metallic cables. For this reason, we believe that this investment should continue to be studied for the determination of appropriate life and salvage characteristics. Based on the foregoing, the Fiber Communication Equipment, Account 397.25, is adjusted to a composite of a 20-year life for the fiber cable and a 7-year life for the associated electronics.

Except for the account relating to communication equipment as discussed above, the transmission, distribution and general plant accounts are basically status quo. Remaining lives simply reflect an update of each account's activity since the last review. Underlying service lives and mortality dispersions are still considered appropriate and reasonable. Approved rates are shown in Schedule B.

The life analysis for the Polk Power Plant has been based on the most recent project estimate and assigned lives to categories of plant consistent with like items of other production plants. A composite life at a plant site level is approved pending a more detailed study at the next comprehensive review.

As mentioned earlier, the depreciation study provided us an opportunity to review the accrual established for dismantlement of fossil fueled generation plants. In Order No. 24741, issued July 1, 1991, in Docket No. 890186-EI, we set forth the methodology for accruing the costs of fossil fuel dismantlement. Electric companies are required to file dismantlement studies at least once every four years in connection with their depreciation studies. The methodology depends on three factors: estimated base costs of dismantling the fossil fuel plants, projected inflation and a contingency factor.

TECO's preferred accrual is shown in Schedule C. This schedule maintains the currently prescribed accrual level for all plants except for the Polk Power Station. The assumptions inherent in these currently prescribed accruals are base cost estimates resulting from a 1991 site specific dismantlement cost study, a 20% contingency factor and inflation indices based on the 1991 DRI Summer forecast. The proposed accrual for Polk reflects an estimate based on the cost estimates for Big Bend Unit No. 4 and the Big Bend Unit No. 4 FGD System, a 20% contingency factor and

inflation indices based on the DRI Summer 1995 forecast. As noted above, a site specific study for Polk will be included in the next dismantlement study.

Since the last study, base cost estimates for the various dismantlement activities have changed. The 1991 dismantlement study indicated base cost estimates of \$83.8 million; current cost estimates are \$85.6 million. TECO also provided an update using the most recent DRI inflation forecast and a lower contingency factor; however, the 16% factor shown in the update is not a TECO specific factor. It is actually a Florida Power & Light Company (FPL) contingency factor. In Docket No. 941343-EI, FPL developed a weighted average contingency factor for the various tasks detailed in the Atomic Industrial Forum/National Environmental Studies Project report AIF/NESP-036, "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates" as they related to dismantlement activities for FPL installations. To this amount a 20% contingency factor was added for asbestos removal. The result was a 16% weighted average contingency factor specific to FPL. We do not believe that this 16% contingency factor is necessarily appropriate for TECO.

We approved the current annual accrual of \$8,770,000 in Order No. 25619, issued January 21, 1992, in Docket No. 910686-EI. Before the inclusion of Polk, the updated study (current base cost estimates, Summer 1995 DRI inflation forecast and a 20% contingency factor) shows an annual level accrual of \$7,860,000, a decrease of \$910,000 from the current annual accrual. When one-fourth of the \$1,304,000 dismantlement accrual attributed to Polk is included in the calculation for 1996, the annual accrual is \$8,186,000, still a slight decrease from the current accrual. In 1997, and thereafter, when the full amount attributable to Polk is included, the accrual will increase slightly above the current accrual to \$9,164,000.

TECO proposes no change in the currently approved annual accrual of \$8,770,000 for fossil fuel plant dismantlement. Specifically, the Company states "with the uncertainties inherent in estimating the cost of dismantling a plant fifty years in the future, the company feels it is too early to begin to reduce accruals for this cost." Further, TECO believes that, if the effect of the decrease in inflation projections is recognized, the 20% contingency factor should be used to mitigate the reduction to the annual accrual for the reasons stated. The updated study shows increases in the base cost estimates of dismantling the fossil fuel plants; but, these increases have been more than offset by decreases in projected inflation for a net decrease of \$910,000.

We too believe that the possibility of under-accrual exists. National industry experience with dismantlement of fossil fuel plants is limited. Experience with estimating the base costs is even more limited. With the passage of time, estimating the costs of dismantlement likely will become more accurate. This case is part of only the second round of dismantlement studies for the major electric companies. As this round of reviews progresses, the elements that go into the calculation of the base cost estimates of dismantlement and the calculation of the annual level accrual are being refined.

We have considered the alternative of reducing the annual accrual to agree with the updated base cost estimates, the DRI Summer 1995 inflation forecasts and a weighted contingency factor as used in the FPL review. This would be consistent with the methodology of determining dismantlement accruals that we have established and subsequent reviews. There is, however, little history by which to determine the adequacy of base cost estimation. Since base costs have increased by a very small amount, our concerns about under-accrual have not been alleviated. Therefore, based on the foregoing, we find that the Company's current annual accrual for fossil fuel dismantlement of \$8,770,000 is appropriate. The annual accrual will increase by \$1,034,000 when Polk comes on-line.

The implementation date of the recommended rates and schedules shall be January 1, 1996, since the Company data and related calculations about this date. It is the earliest practicable date for utilizing the revised rates and schedules.

As noted above, we have made revisions to TECO's depreciation rates and capital recovery schedules, to be effective January 1, 1996. Section 46(f)(6) of the Internal Revenue Code (IRC) states that the amortization of ITCs should be determined by the period of time used in computing depreciation expense for purposes of reflecting regulated operating results of the utility. Since we have made a change in depreciation rates, it is also appropriate to change the amortization of ITCs.

Section 203(e) of the Tax Reform Act of 1986 (TRA) prohibits rapid write-back of protected (depreciation related) deferred taxes. In addition, Rule 25-14.013, Accounting for Deferred Income Taxes under SFAS 109, Florida Administrative Code (F.A.C), prohibits, without good cause shown, excess deferred income taxes associated with temporary differences from being reversed any faster than allowed under Section 203(e). Therefore, both the TRA and Rule 25-14.013, F.A.C., prohibit faster write-off of protected excess deferred taxes. Based on the foregoing, we find that the

flowback of excess deferred taxes should be altered to comply with the TRA and Rule 25-14.013, F.A.C.

The Company has submitted detailed workpapers quantifying the impact of the proposed depreciation rates on the amortization of ITCs and the flowback of excess deferred income taxes. The calculations have been reviewed and found acceptable. The amounts reflected on the workpapers, however, will change based on the approved depreciation rates. TECO shall revise the current amortization of ITCs and the flowback of excess deferred income taxes to reflect the approved depreciation rates and recovery schedules. Also, the utility shall file detailed calculations of the revised ITC amortization and flowback of excess deferred taxes at the time it files its January, 1996 surveillance report.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that the depreciation study including provision for dismantlement of fossil fuel facilities submitted by Tampa Electric Company's is approved as set forth in the body of this order. It is further

ORDERED that each of the findings made in the body of this order is hereby approved in every respect. It is further

ORDERED that all matters contained in the schedules attached hereto are by reference incorporated herein. It is further

ORDERED that the new depreciation rates shall be implemented as of January 1, 1996. It is further

ORDERED that the utility file detailed calculations of the revised ITC amortization and flowback of excess deferred taxes at the time it files its January, 1996 surveillance report. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 21st  
day of March, 1996.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 11, 1996.

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.

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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 substantially 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 wastewater 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.



**TAMPA ELECTRIC COMPANY  
1995 DEPRECIATION STUDY  
COMMISSION APPROVED RESTATED RESERVE**

<u>ACCOUNT</u>	<u>1/1/96 RESTATED RESERVE</u>
<b>STEAM PRODUCTION</b>	
<b>BIG BEND STATION</b>	
- Common -	
311400 - Structures	13,608,187
312400 - Boiler Plant	18,276,514
314400 - Turbogenerators	1,408,938
315400 - Access. Elec Eqpt.	5,098,343
316400 - Miscellaneous	1,735,272
- Unit 1 -	
311410 - Structures	2,995,771
312410 - Boiler Plant	20,940,563
314410 - Turbogenerators	10,763,875
315410 - Access. Elec. Eqpt.	3,805,745
316410 - Miscellaneous	264,736
- Unit 2 -	
311420 - Structures	2,504,676
312420 - Boiler Plant	18,838,351
314420 - Turbogenerators	9,690,590
315420 - Access. Elec. Eqpt.	3,136,106
316420 - Miscellaneous	170,730
- Unit 3 -	
311430 - Structures	6,330,812
312430 - Boiler Plant	38,065,478
314430 - Turbogenerators	16,886,281
315430 - Access. Elec. Eqpt.	8,063,343
316430 - Miscellaneous	311,016
- Unit 4 -	
311440 - Structures	18,229,870
312440 - Boiler Plant	46,840,707
314440 - Turbogenerators	25,663,858
315440 - Access. Elec. Eqpt.	11,223,899
316440 - Miscellaneous	2,000,748
- Unit 4 FGD -	
311450 - Structures	5,565,942
312450 - Boiler Plant	45,106,539
315450 - Access. Elec. Eqpt.	5,462,482
316450 - Miscellaneous	79,579
<b>TOTAL BIG BEND STATION</b>	<b>343,068,951</b>

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 COMMISSION APPROVED RESTATED RESERVE**

<u>ACCOUNT</u>	<u>1/1/96 RESTATED RESERVE</u>
<b>STEAM PRODUCTION (CONT'D)</b>	
<b>GANNON STATION</b>	
- Common -	
311500 - Structures	10,051,659
312500 - Boiler Plant	5,392,081
314500 - Turbogenerators	427,617
315500 - Access. Elec. Eqpt.	1,339,897
316500 - Miscellaneous	1,642,868
- Unit 1 -	
311510 - Structures	1,956,255
312510 - Boiler Plant	7,023,120
314510 - Turbogenerators	5,867,962
315510 - Access. Elec. Eqpt.	1,516,013
316510 - Miscellaneous	219,558
- Unit 2 -	
311520 - Structures	1,864,168
312520 - Boiler Plant	6,334,013
314520 - Turbogenerators	7,007,721
315520 - Access. Elec. Eqpt.	1,040,281
316520 - Miscellaneous	59,727
- Unit 3 -	
311530 - Structures	1,431,245
312530 - Boiler Plant	10,933,947
314530 - Turbogenerators	7,975,955
315530 - Access. Elec. Eqpt.	1,503,928
316530 - Miscellaneous	89,069
- Unit 4 -	
311540 - Structures	971,906
312540 - Boiler Plant	9,035,049
314540 - Turbogenerators	6,000,641
315540 - Access. Elec. Eqpt.	1,302,628
316540 - Miscellaneous	34,582
- Unit 5 -	
311550 - Structures	1,548,389
312550 - Boiler Plant	12,754,799
314550 - Turbogenerators	5,776,887
315550 - Access. Elec. Eqpt.	2,261,916
316550 - Miscellaneous	111,926
- Unit 6 -	
311560 - Structures	2,133,836
312560 - Boiler Plant	18,828,348
314560 - Turbogenerators	7,557,822
315560 - Access. Elec. Eqpt.	2,792,549
316560 - Miscellaneous	176,937
<b>TOTAL GANNON STATION</b>	<b>144,965,299</b>

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 COMMISSION APPROVED RESTATED RESERVE**

<u>ACCOUNT</u>	<u>1/1/96 RESTATED RESERVE</u>
<b>STEAM PRODUCTION (CONT'D)</b>	
GANNON OIL BACKOUT	
- Common -	20,543,288
- Unit 1 -	14,902,090
- Unit 2 -	14,506,218
- Unit 3 -	17,203,050
- Unit 4 -	18,678,325
<b>TOTAL OIL BACKOUT</b>	<b>85,832,971</b>
<b>HOOKER'S POINT STATION</b>	<b>46,898,372</b>
<b>DINNER LAKE STATION</b>	<b>3,039,727</b>
<b>TOTAL STEAM PRODUCTION</b>	<b>623,805,320</b>
<b>OTHER PRODUCTION</b>	
<b>BIG BEND STATION</b>	
- Combustion Turbine No. 1 -	
341410 - Structures	79,304
342410 - Boiler Plant	117,995
344410 - Turbogenerator	1,160,824
345410 - Access. Elec. Eqpt.	162,519
346410 - Miscellaneous	3,251
- Combustion Turbine No. 2 & 3 -	
341420 - Structures	1,199,286
342420 - Boiler Plant	795,900
344420 - Turb generator	11,038,241
345420 - Access. Elec. Eqpt.	1,789,610
346420 - Miscellaneous	14,975
<b>GANNON STATION</b>	
- Combustion Turbine No. 1 -	
341510 - Structures	66,001
342510 - Boiler Plant	92,204
344510 - Turbogenerator	1,301,169
345510 - Access. Elec. Eqpt.	228,812
346510 - Miscellaneous	0

**TAMPA ELECTRIC COMPANY  
1995 DEPRECIATION STUDY  
COMMISSION APPROVED RESTATED RESERVE**

<u>ACCOUNT</u>	<u>1/1/96 RESTATED RESERVE</u>
OTHER PRODUCTION (CONT'D)	
PHILLIPS STATION	31,997,042
POLK POWER STATION	0
TOTAL OTHER PRODUCTION	50,047,133
MISCELLANEOUS PRODUCTION	
311010 - Structures & Improvements	2,515,405
TOTAL MISCELLANEOUS PRODUCTION	2,515,405
AMORTIZABLE PRODUCTION PLANT	
STEAM PROD. -- BIG BEND STATION	2,148,627
STEAM PROD. -- GANNON STATION	1,152,623
MISC. PROD. - 316010 Misc. Power Plant Equipment	1,801,673
MISC. PROD. - 316170 Amort Power Plant Equipment	1,160,793
TOTAL PRODUCTION PLANT	682,631,574

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 APPROVED RATES AND COMPONENTS**

ACCOUNT

**STEAM PRODUCTION**

**BIG BEND STATION**

- Common -

	<u>AVERAGE REMAINING LIFE (YRS.)</u>	<u>NET SALVAGE (%)</u>	<u>REMAINING LIFE RATE (%)</u>
311400 - Structures	35	(3)	2.0
312400 - Boiler Plant	29	(17)	2.8
314400 - Turbogenerators	35	(9)	1.9
315400 - Access. Elec. Eqpt.	18.7	(4)	3.4
316400 - Miscellaneous	17.1	(17)	3.9

- Unit 1 -

311410 - Structures	23	(3)	2.5
312410 - Boiler Plant	23	(17)	3.3
314410 - Turbogenerators	22	(9)	2.9
315410 - Access. Elec. Eqpt.	23	(4)	2.9
316410 - Miscellaneous	24	(17)	3.2

- Unit 2 -

311420 - Structures	26	(3)	2.5
312420 - Boiler Plant	23	(17)	3.2
314420 - Turbogenerators	24	(9)	2.9
315420 - Access. Elec. Eqpt.	22	(4)	3.1
316420 - Miscellaneous	26	(17)	3.3

- Unit 3 -

311430 - Structures	28	(3)	2.2
312430 - Boiler Plant	25	(17)	2.8
314430 - Turbogenerators	21	(9)	2.4
315430 - Access. Elec. Eqpt.	22	(4)	2.9
316430 - Miscellaneous	29	(17)	2.6

- Unit 4 -

311440 - Structures	36	(3)	2.0
312440 - Boiler Plant	25	(17)	3.7
314440 - Turbogenerators	32	(9)	2.4
315440 - Access. Elec. Eqpt.	28	(4)	2.6
316440 - Miscellaneous	27	(17)	2.9

- Unit 4 FGD -

311450 - Structures	35	(3)	2.2
312450 - Boiler Plant	31	(17)	2.8
315450 - Access. Elec. Eqpt.	29	(4)	2.5
316450 - Miscellaneous	27	(17)	3.1

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 APPROVED RATES AND COMPONENTS**

**ACCOUNT**

**STEAM PRODUCTION (CONT'D)**

**GANNON STATION**

- Common -

ACCOUNT	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	REMAINING LIFE RATE (%)
311500 - Structures	21	(3)	3.3
312500 - Boiler Plant	20	(17)	3.9
314500 - Turbogenerators	26	(9)	3.2
315500 - Access. Elec. Eqpt.	26	(4)	3.2
316500 - Miscellaneous	13.7	(17)	4.7

- Unit 1 -

311510 - Structures	11.3	(3)	2.5
312510 - Boiler Plant	11.5	(17)	3.6
314510 - Turbogenerators	10.9	(9)	3.0
315510 - Access. Elec. Eqpt.	9.8	(4)	3.1
316510 - Miscellaneous	11.4	(17)	2.7

- Unit 2 -

311520 - Structures	12.2	(3)	3.1
312520 - Boiler Plant	11.6	(17)	4.2
314520 - Turbogenerators	12.7	(9)	3.4
315520 - Access. Elec. Eqpt.	11.7	(4)	3.5
316520 - Miscellaneous	12.4	(17)	3.1

- Unit 3 -

311530 - Structures	13.7	(3)	2.8
312530 - Boiler Plant	14.6	(17)	3.9
314530 - Turbogenerators	12.8	(9)	3.2
315530 - Access. Elec. Eqpt.	11.7	(4)	3.4
316530 - Miscellaneous	10.0	(17)	3.2

- Unit 4 -

311540 - Structures	17.0	(3)	2.7
312540 - Boiler Plant	17.6	(17)	3.8
314540 - Turbogenerators	14.2	(9)	2.8
315540 - Access. Elec. Eqpt.	13.1	(4)	3.5
316540 - Miscellaneous	17.0	(17)	2.8

- Unit 5 -

311550 - Structures	19.0	(3)	3.2
312550 - Boiler Plant	19.0	(17)	3.8
314550 - Turbogenerators	19.0	(9)	3.4
315550 - Access. Elec. Eqpt.	16.4	(4)	4.0
316550 - Miscellaneous	22	(17)	3.9

- Unit 6 -

311560 - Structures	21	(3)	2.7
312560 - Boiler Plant	20	(17)	3.6
314560 - Turbogenerators	22	(9)	3.5
315560 - Access. Elec. Eqpt.	16.4	(4)	3.7
316560 - Miscellaneous	17.5	(17)	3.3

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 APPROVED RATES AND COMPONENTS**

<u>ACCOUNT</u>	<u>COMMISSION APPROVED</u>		
	<u>AVERAGE REMAINING LIFE (YRS.)</u>	<u>NET SALVAGE (%)</u>	<u>REMAINING LIFE RATE (%)</u>
<b>STEAM PRODUCTION (CONT'D)</b>			
<b>GANNON OIL BACKOUT</b>			
- Common -	18.7	(12)	3.5
- Unit 1 -	11.4	(12)	2.9
- Unit 2 -	12.3	(12)	3.5
- Unit 3 -	14.5	(12)	3.0
- Unit 4 -	17.0	(12)	3.1
<b>HOOKER'S POINT STATION</b>	7.5	(2)	1.7
<b>DINNER LAKE STATION</b>	8.7	(12)	3.4
<b>MISCELLANEOUS PRODUCTION</b>			
311010 - Structures & Improvements	21	(3)	3.1
<b>OTHER PRODUCTION</b>			
<b>BIG BEND STATION</b>			
- Combustion Turbine No. 1 -			
341410 - Structures	13.4	(3)	0.6
342410 - Boiler Plant	13.4	(17)	1.0
344410 - Turbogenerator	12.6	(9)	2.0
345410 - Access. Elec. Eqpt.	13.4	(4)	0.8
346410 - Miscellaneous	6.2	(17)	(1.0)
- Combustion Turbine No. 2 & 3 -			
341420 - Structures	5.4	(3)	3.6
342420 - Boiler Plant	8.9	(17)	3.7
344420 - Turbogenerator	9.9	(9)	4.0
345420 - Access. Elec. Eqpt.	6.3	(4)	4.6
346420 - Miscellaneous	6.4	(17)	4.2
<b>GANNON STATION</b>			
- Combustion Turbine No. 1 -			
341510 - Structures	13.4	(3)	1.2
342510 - Boiler Plant	13.4	(17)	1.3
344510 - Turbogenerator	13.4	(9)	1.1
345510 - Access. Elec. Eqpt.	13.4	(4)	1.1
346510 - Miscellaneous	--	(17)	--
<b>PHILLIPS STATION</b>	15.4	(12)	3.8
<b>POLK POWER STATION</b>	26	(12)	4.3
<b>AMORTIZABLE PRODUCTION PLANT</b>			
STEAM PROD. -- BIG BEND STATION	7	YEAR	AMORTIZATION
STEAM PROD. -- GANNON STATION	7	YEAR	AMORTIZATION
MISC. PROD. - 316010 Misc. Power Plant Equipment	7	YEAR	AMORTIZATION
MISC. PROD. - 316170 Misc. Power Plant Equipment	7	YEAR	AMORTIZATION

**TAMPA ELECTRIC COMPANY  
 1995 DEPRECIATION STUDY  
 APPROVED RATES AND COMPONENTS**

ACCOUNT	COMMISSION APPROVED		
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	REMAINING LIFE RATE (%)
<b>TRANSMISSION</b>			
350 - Land Rights	33.0	0.0	2.2
352 - Structures and Improvements	39.0	(3.0)	2.1
353 - Station Equipment	28.0	(15.0)	2.9
354 - Towers and Fixtures	24.0	(15.0)	2.5
355 - Poles and Fixtures	24.0	(35.0)	4.6
356 - Overhead Conductors and Devices	24.0	(15.0)	3.4
356.01 - Clearing Rights-of-Way	29.0	0.0	2.0
357 - Underground Conduit	45.0	0.0	2.0
358 - Underground Conductors & Devices	9.4	0.0	2.5
359 - Roads and Trails	36.0	0.0	2.1
<b>DISTRIBUTION</b>			
361 - Structures and Improvements	29.0	(3.0)	2.4
362 - Station Equipment	24.0	(15.0)	3.4
364 - Poles, Towers, and Fixtures	26.0	(35.0)	4.0
365 - Overhead Conductors and Devices	24.0	(20.0)	3.3
366 - Underground Conduit	39.0	0.0	2.0
367 - Underground Conductors & Devices	24.0	0.0	3.0
368 - Line Transformers	9.3	30.0	3.9
369.01 - Overhead Services	26.0	(50.0)	4.7
369.01 - Underground Services	27.0	(15.0)	3.2
370 - Meters	17.0	(20.0)	5.3
373 - Street Lighting and Signal Systems	15.1	0.0	4.9
<b>GENERAL PLANT</b>			
390 - Structures and Improvements	29.0	(20.0)	3.4
392.1 - Automobiles	2.7	24.0	22.2
392.2 - Light Trucks	3.7	20.0	9.3
392.3 - Heavy Trucks	9.3	20.0	4.1
393.01 - Stores Equipment	18.3	0.0	2.5
394.01 - Tools, Shop & Garage Equipment	8.2	5.0	5.2
395.01 - Laboratory Equipment	17.6	0.0	3.0
396 - Power Operated Equipment	8.8	10.0	3.8
397 - Communication Equipment		<b>10 Year Amortization</b>	
397.01 - Energy Management Systems	4.5	0.0	9.4
397.25 - Communication Equipment - Fiber	11.4	(10.0)	6.3
391.01 - Office Furniture and Equipment		<b>7 Year Amortization</b>	
391.02 - Computer Equipment		<b>5 Year Amortization</b>	
393.00 - Stores Equipment		<b>7 Year Amortization</b>	
394.00 - Tools, Shop and Garage Equipment		<b>7 Year Amortization</b>	
395.00 - Laboratory Equipment		<b>7 Year Amortization</b>	
398.00 - Miscellaneous Equipment		<b>7 Year Amortization</b>	



**Tampa Electric Company  
Provision for Dismantlement of Production Facilities**

	<u>Approved Annual Accrual</u> (\$)
Big Bend Common	533,188
Big Bend Unit No. 1	906,800
Big Bend Unit No. 2	606,322
Big Bend Unit No. 3	543,937
Big Bend Unit No. 4	1,019,485
Big Bend Unit No. 4 FGD	449,632
Gannon Common	362,504
Gannon Unit No. 1	812,947
Gannon Unit No. 2	637,700
Gannon Unit No. 3	628,587
Gannon Unit No. 4	535,371
Gannon Unit No. 5	496,041
Gannon Unit No. 6	488,561
Hookers Point	570,969
Dinner Lake	41,982
Big Bend CT No. 1, 2 & 3	26,622
Gannon CT No. 1	5,465
Phillips Station	<u>103,923</u>
Total	8,770,036
Polk Power Station	<u>1,348,764</u>
Total	10,118,800