

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 960527-EI
site specific depreciation) ORDER NO. PSC-96-0841-FOF-EI
studies by Florida Power & Light) ISSUED: July 1, 1996
Company.)
_____)

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

ORDER GRANTING PRELIMINARY IMPLEMENTATION OF
DEPRECIATION RATES BY FLORIDA POWER & LIGHT COMPANY

BY THE COMMISSION:

Florida Power & Light Company (FPL) operates combined cycle units for power generation at three sites: Fort Lauderdale, Martin and Putnam. The current depreciation rates for the Fort Lauderdale and Putnam sites were established by Order No. PSC-94-1199-FOF-EI, effective January 1, 1994. The current depreciation rates for the Martin combined cycle units were established by Order No. PSC-95-1140-FOF-EI, effective January 1, 1995.

Since the last studies relating to these sites, FPL has completed the classification of plant in service to the retirement unit level by site. Also, the company reports that it has obtained additional information concerning the life expectancy of some combustion turbine engine components. The depreciation rates proposed by FPL, as shown in Attachment 1, reflect both of these developments.

The current amortization period for personal computers is five years. FPL contends that rapid developments and trends in personal computer technology require a shorter amortization period. Therefore, FPL has proposed a three-year amortization period for post 1995 additions of this type. Based on the projected 1996 investment of \$15,000,000, the change from a five-year to a three-year period will result in an increase of about \$2,000,000 in annual expense. Mainframe equipment will continue to be amortized over five years.

DOCUMENT NUMBER-DATE

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FPC-REGULATORY REPORTING

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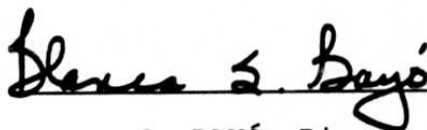
FPL has requested that it be allowed to implement its proposed depreciation rates and amortization on a preliminary basis, effective January 1, 1996 in accord with Rule 25-6.0436 (5), Florida Administrative Code. Preliminary implementation of the proposed rates and amortization will result in an approximate increase in expenses for 1996 of \$22,362,812.

We find that preliminary implementation of the proposed rates and amortization is likely to result in a more appropriate level of expense than would accrue from retaining the currently effective rates. Therefore, we approve FPL's request. Our approval of preliminary implementation does not imply that we are in agreement with the specific life, reserve, and salvage proposals made by the Company. The expenses recorded pursuant to the preliminary authorization will be trued-up when we take final action on FPL's proposed rates, later in 1996.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company is authorized to begin preliminary implementation of the proposed depreciation rates, at January 1, 1996, as described in the body of this Order.

By ORDER of the Florida Public Service Commission, this 1st day of July, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

VDJ

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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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

**FLORIDA POWER AND LIGHT COMPANY
 1996 DEPRECIATION STUDY
 COMMISSION APPROVED RATES
 FOR PRELIMINARY IMPLEMENTATION**

ACCOUNT

FORT LAUDERDALE COMBINED CYCLE

Fort Lauderdale Common

	<u>RATE</u> %
341 Structures and Improvements	5.0
342 Fuel Holders, Producers & Access.	4.4
343 Prime Movers	29.7
344 Generators	4.5
345 Accessory Electric Equipment	4.2
346 Misc. Power Plant Equipment	6.3

Fort Lauderdale Unit 4

341 Structures and Improvements	1.9
342 Fuel Holders, Producers & Access.	1.3
343 Prime Movers	7.3
344 Generators	4.2
345 Accessory Electric Equipment	4.2
346 Misc. Power Plant Equipment	6.5

Fort Lauderdale Unit 5

341 Structures and Improvements	3.2
342 Fuel Holders, Producers & Access.	5.2
343 Prime Movers	7.4
344 Generators	4.0
345 Accessory Electric Equipment	3.9
346 Misc. Power Plant Equipment	7.1

PRELIMINARY IMPLEMENTATION

**FLORIDA POWER AND LIGHT COMPANY
 1996 DEPRECIATION STUDY
 COMMISSION APPROVED RATES
 FOR PRELIMINARY IMPLEMENTATION**

ACCOUNT

MARTIN COMBINED CYCLE

Martin Common

341 Structures and Improvements	4.3
342 Fuel Holders, Producers & Access.	4.0
343 Prime Movers	16.1
344 Generators	0.0
345 Accessory Electric Equipment	3.4
346 Misc. Power Plant Equipment	7.6

Martin Combined Cycle Unit 3

341 Structures and Improvements	3.1
342 Fuel Holders, Producers & Access.	5.0
343 Prime Movers	6.3
344 Generators	4.1
345 Accessory Electric Equipment	6.9
346 Misc. Power Plant Equipment	3.5

Martin Combined Cycle Unit 4

341 Structures and Improvements	3.2
342 Fuel Holders, Producers & Access.	4.6
343 Prime Movers	5.8
344 Generators	4.1
345 Accessory Electric Equipment	7.0
346 Misc. Power Plant Equipment	3.6

PRELIMINARY IMPLEMENTATION

RATE
%

**FLORIDA POWER AND LIGHT COMPANY
1996 DEPRECIATION STUDY
COMMISSION APPROVED RATES
FOR PRELIMINARY IMPLEMENTATION**

<u>ACCOUNT</u>	<u>RATE</u> %
PUTNAM COMBINED CYCLE	
Putnam Common	
341 Structures and Improvements	4.0
342 Fuel Holders, Producers & Access.	4.2
343 Prime Movers	4.0
344 Generators	1.9
345 Accessory Electric Equipment	4.3
346 Misc. Power Plant Equipment	3.3
Putnam Unit 1	
341 Structures and Improvements	2.5
342 Fuel Holders, Producers & Access.	7.2
343 Prime Movers	5.8
344 Generators	2.6
345 Accessory Electric Equipment	3.1
346 Misc. Power Plant Equipment	2.6
Putnam Unit 2	
341 Structures and Improvements	2.6
342 Fuel Holders, Producers & Access.	7.0
343 Prime Movers	6.1
344 Generators	2.8
345 Accessory Electric Equipment	3.6
346 Misc. Power Plant Equipment	2.9