

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

NOVEMBER 20, 1997

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Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF AUDITING & FINANCIAL ANALYSIS (BASS, LEE, SWAIN) *JLB* *P58*
DIVISION OF ELECTRIC & GAS (COLSON) *ARC* *DB* *APC*
DIVISION OF LEGAL SERVICES (PAUGH) *RUE* *JP*

RE: DOCKET NO. 970785-EI - FLORIDA POWER & LIGHT COMPANY -
DEPRECIATION STUDIES BY FLORIDA POWER & LIGHT COMPANY FOR
SPECIFIC (STEAM) GENERATION SITES

AGENDA: 12/02/97 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\AFA\WP\970785.RCM
R:\PSC\AFA\123\970785.WK3

DISCUSSION OF ISSUES

ISSUE 1: Should depreciation rates for the specific steam generation sites, involved in the filing by Florida Power & Light (FPL or Company) in this docket, be revised from those authorized for preliminary implementation at January 1, 1997?

RECOMMENDATION: Yes. The depreciation rates authorized for preliminary implementation were those proposed by the Company in its filing. When preliminary implementation was authorized, it was expected that final action by the Commission would involve any true up warranted. This recommendation embodies that true up of rates.

The effect of preliminary implementation of the proposed rates was an increase in annual depreciation expense by an estimated \$20 million annually, based on the January 1, 1997 plant investments and reserves. The revisions recommended in this true up will result in an increase of about \$10 million more than the annual expense produced by the interim rates. [BASS]

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STAFF ANALYSIS: FPL operates steam driven units for power generation at the sites of Cape Canaveral, Fort Myers, Port Everglades, Riviera, Sanford, and Turkey Point. The current depreciation rates for these sites were interim rates established by Order No. PSC-97-1015-FOF-EI, effective January 1, 1997.

The next regular comprehensive depreciation study for FPL, as required by Rule 25-6.0436 (8)(a), F.A.C., is due on or before December 31, 1997. That study will treat the recovery position for all plant investment relating to generation, transmission, distribution and general plant functions. Upon review of the recovery positions associated with accounts for these six sites, FPL perceived that conditions warranted additional capital recovery beginning in 1997. Upon Commission approval and at the Company's request, proposed rates were implemented at January 1, 1997.

This filing addresses a need for revision to depreciation rates to accommodate the implications of a change in the operating mode for these six units. When the combined cycle units (at various other sites) became operational, economic dispatch made those combined cycle units the baseline energy providers. Formerly, the six units in this filing were the common providers of energy on a daily basis; now, they are cycled on an as-needed basis, depending on weather conditions or contingent factors which may affect other plants.

The cycling mode of operation produces relatively more wear on the mechanical components of these units. However, there may be long periods of time between periods of operation. The actual number of start-ups needed in a future year can only be estimated, so that these units might be available to serve on rare occasions for many years. If weather and other factors produce a troublesome situation, the remaining life of a unit might be used up in a few seasons.

Thus, estimating the remaining lives for these units becomes the product of multiple estimations, with even more variability than was the case when these units were running baseline. In the current analysis, staff agrees that the Company's proposal to decrease unit service lives is an appropriate move. It is expected that adjustments to retirement dates, and therefore to service lives, will be necessary on a going forward basis. This recommendation represents a conservative response to currently identifiable factors.

In comparing the contents of the current study with information filed in FPL's ten-year site plan for 1997, staff notes that, for some sites, there are different expectations in the two

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filings. For some units, the site plan includes generation capacity beyond the retirement date indicated in the depreciation study. Based on current growth projections, FPL will require additional capacity prior to the year 2007. The Company's options include purchased power, building new plant capacity, or repowering a particular unit or site. The associated generating capacity for a repowered site would increase. Also, repowering would involve retirement of major portions of equipment currently in service, and extended life for the equipment continuing to serve.

However, in the case of a decision to purchase additional capacity, some unit(s) could be shut down prior to the date indicated in this filing. Because of lead times involved in procuring generation, planning for required additional capacity will need to be firmed up within the next two years. When the planning is firmed up, FPL should inform the Commission and address any needed recovery changes.

The following changes in 1997 expenses are the result of revisions made to the rates approved on an interim basis.

<u>SITE</u>	<u>INCREASE (DECREASE)</u>	
	Over Current Interim	Approved
Cape Canaveral	\$	3,164,330
Fort Myers Steam	(\$	6,635)
Port Everglades - Steam	\$	2,668,155
Riviera	\$	2,323,080
Sanford	(\$	8,526)
Turkey Point Fossil	\$	980,347
Total increase to expense		<u>\$10,120,751</u>

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ISSUE 2: What should be the implementation date for the new depreciation rates and amortization?

RECOMMENDATION: January 1, 1997. [BASS]

STAFF ANALYSIS: The Company has requested, and all data and calculations about, a January 1, 1997, implementation date. In addition, the Commission has approved preliminary implementation effective at that date. The Company will true-up the depreciation expense recorded under the preliminary implementation provision, to match the rates ordered in the Commission's final action in this docket.

ISSUE 3: Should any reserve reallocations be made?

RECOMMENDATION: Yes. A reserve amount of \$430,394 should be reallocated from Account 311, Structures and Improvements for Fort Myers Unit 1, to the reserve for Fort Myers Common Plant Account 312, Boiler Plant Equipment. [BASS]

STAFF ANALYSIS: There is a calculated reserve surplus in the Fort Myers Unit 1 Account 311, Structures and Improvements. Likewise, there is a calculated reserve deficit in the Common Plant Account 312, Boiler Plant Equipment, at the same site. The Company reports that the reserve surplus is due to a 1995 transfer that was recorded erroneously during FPL's unitization work.

Staff recommends a reallocation of \$430,394 from the Unit 1 Account 311, to Common Plant Account 312. The transfer will help to correct the reserve deficit existing in the Common Plant Account 312, Boiler Plant Equipment.

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ISSUE 4: Should the capital recovery rates set in this current docket reflect the allocation of additional expense flowing from the Order No. PSC-96-0461-FOF-EI?

RECOMMENDATION: No. This docket is limited to six production sites. Staff recommends that the additional expenses recorded in accord with Order No. PSC 96-0461-FOF-EI, Docket No. 950359-EI, Petition to Establish an Amortization Schedule for Florida Power & Light Company's Nuclear Generating Units to Address the Potential for Stranded Investment, be allocated to specific production sites and accounts within those sites after a review is made of all FPL's production plant. Such a comprehensive review is due to be submitted no later than December 31, 1997. [BASS, LEE]

STAFF ANALYSIS: This docket and the information filed in it were limited in scope, addressing the six named generation sites exclusively. The comprehensive study to be filed by year-end 1997 will provide for review of the other non-nuclear sites, and will also update investment and reserve for these six sites. Within that situation, the allocation of additional expense flowing from Order No. PSC-96-0461-FOF-EI can be made according to prioritized needs among all the units.

The interim rates approved by the Commission were those proposed by FPL, and included an allocation of the additional expense flowing from Order No. PSC-96-0461-FOF-EI. After discussions with Company personnel, the Company agrees with staff that the allocation should be addressed within the comprehensive study, rather than within this current study. The depreciation rates in this recommendation are calculated from the December 31, 1996 book reserve provided by FPL.

ISSUE 5: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's proposed agency action timely files a protest within twenty-one days of the issuance of this order, this docket should be closed. [PAUGH]

STAFF ANALYSIS: Pursuant to Rule 25-22.029(4), Florida Administrative Code, any person whose substantial interests are affected by the Commission's proposed agency action shall have twenty-one days after issuance of the order to file a protest. If no timely protest is filed, the docket should be closed.

FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF DEPRECIATION RATES AND COMPONENTS

ACCOUNT	1997 INVESTMENT \$	1997 RESERVE \$	CURRENT APPROVED INTERIM				PROPOSED AND STAFF RECOMMENDED						
			AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (\$)	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (\$)	DEPRECIATION RATE (%)			
CAPE CONVEYER													
Cape General Common													
311 Structures and improvements	10,668,863	4,816,968	27.2	9.9	(2)	55.7	4.7	22.0	9.9	(2)	45.06	5.8	
312 Boiler Plant Equipment	348,293	(154,106)	19.2	10.3	(5)	47.2	6.2	19.2	10.3	(5)	44.32	4.8	
314 Turbo-generator Units	298,075	179,312	29.0	8.8	(7)	70.7	3.7	29.0	8.8	(7)	68.32	3.8	
315 Accessory Electric Equipment	364,535	248,941	21.0	9.2	(6)	60.3	5.0	21.0	9.2	(6)	62.59	4.7	
318 Misc. Power Plant Equipment	436,658	118,703	19.7	6.4	0	66.1	5.3	19.7	6.4	0	27.18	11.4	
Total	12,104,482	5,184,734											
Cape General Unit 1													
341 Structures and improvements	1,304,326	1,000,689	35.0	8.1	(2)	78.1	3.0	35.0	8.1	(2)	76.89	3.1	
343 Boiler Plant Equipment	53,169,131	13,160,720	13.0	7.8	(12)	44.4	8.7	13.0	7.8	(12)	24.81	11.2	
344 Turbo-generator Units	18,574,872	8,822,308	18.5	7.9	(7)	81.1	5.8	18.5	7.9	(7)	53.62	6.8	
345 Accessory Electric Equipment	3,788,957	1,879,070	19.5	8.3	(6)	54.4	5.7	19.5	8.3	(6)	44.34	7.4	
348 Misc. Power Plant Equipment	416,777	291,400	26.0	8.5	0	67.7	3.8	26.0	8.5	0	67.53	3.8	
Total	27,245,063	26,077,065											
Cape General Unit 2													
341 Structures and improvements	1,568,759	1,066,514	34.0	12.3	(2)	63.6	3.0	34.0	12.3	(2)	68.44	2.7	
343 Boiler Plant Equipment	45,707,319	19,882,854	13.8	8.0	(12)	63.3	8.1	13.8	8.0	(12)	43.74	11.4	
344 Turbo-generator Units	10,911,025	8,762,318	23.0	11.3	(7)	70.6	3.2	23.0	11.3	(7)	80.31	2.4	
345 Accessory Electric Equipment	4,777,548	2,425,630	24.0	11.9	(6)	52.2	4.5	24.0	11.9	(6)	50.77	4.8	
348 Misc. Power Plant Equipment	456,052	406,497	28.0	10.0	(1)	64.1	3.8	28.0	10.0	(1)	89.13	1.2	
Total	63,410,403	32,653,569											

FLORIDA POWER AND LIGHT COMPANY
1997 DEPRECIATION STUDY
COMPARISON OF EXPENSES

ACCOUNT	1-1-97		CURRENT APPROVED INTERIM		COMPANY PROPOSED AND STAFF RECOMMENDED		
	INVESTMENT \$	RESERVE \$	DEPRECIATION RATE (%)	EXPENSES (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
CAPE CANAVERAL							
Cape Canaveral Common							
311 Structures and Improvements	10,668,883	4,806,968	4.7	501,438	5.8	618,795	117,357
312 Boiler Plant Equipment	348,293	(154,166)	6.2	21,470	14.9	51,598	30,128
314 Turbogenerator UNits	258,075	176,312	3.7	9,549	3.9	10,065	516
315 Accessory Electric Equipment	394,535	246,941	5.0	19,727	4.7	18,543	(1,184)
316 Misc. Power Plant Equipment	436,696	118,703	5.3	23,145	11.4	49,783	26,638
Total	12,104,482	5,194,758					
Cape Canaveral Unit 1							
341 Structures and Improvements	1,304,526	1,000,469	3.0	39,136	3.1	40,440	1,304
343 Boiler Plant Equipment	53,169,131	13,193,720	8.7	4,625,714	11.2	5,954,943	1,329,229
344 Turbogenerator UNits	18,574,672	9,922,336	5.8	1,077,331	6.8	1,263,078	185,747
345 Accessory Electric Equipment	3,786,957	1,679,070	5.7	215,857	7.4	280,235	64,378
346 Misc. Power Plant Equipment	416,777	281,460	3.8	15,838	3.8	15,838	0
Total	77,252,063	26,077,055					
Cape Canaveral Unit 2							
341 Structures and Improvements	1,558,259	1,066,514	3.0	46,748	2.7	42,073	(4,675)
343 Boiler Plant Equipment	45,707,519	19,992,604	8.1	3,702,309	11.4	5,210,657	1,508,348
344 Turbogenerator UNits	10,911,025	8,762,318	3.2	349,153	2.4	261,865	(87,288)
345 Accessory Electric Equipment	4,777,548	2,425,636	4.5	214,990	4.6	219,767	4,777
346 Misc. Power Plant Equipment	456,052	406,497	3.6	16,418	1.2	5,473	(10,945)
Total	63,410,403	32,653,569					
TOTAL FOR SITE				<u>10,878,821</u>		<u>14,043,151</u>	<u>3,164,330</u>

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ATTACHMENT A
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FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF EXPENSES

ACCOUNT	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$	CURRENT APPROVED INTERIM		COMPANY PROPOSED AND STAFF RECOMMENDED		
			DEPRECIATION RATE (%)	EXPENSES (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
Fort Myers							
Fort Myers Common							
311 Structures and Improvements	13,149,874	7,377,033	5.1	670,644	4.9	644,344	(26,300)
312 Boiler Plant Equipment	524,428	(430,394)	7.7	39,332	20.4	108,983	87,651
314 Turbogenerator Units	95,509	2,127	4.6	4,393	10.0	9,551	5,158
315 Accessory Electric Equipment	793,178	335,389	6.3	49,970	6.8	53,930	3,968
316 Misc Power Plant Equipment	697,986	540,117	5.2	36,295	3.7	25,825	(10,470)
Total	15,260,975	7,824,272					
Fort Myers Unit 1							
Fort Myers Unit 1							
341 Structures and Improvements	693,946	604,000	2.3	15,961	2.3	15,961	0
343 Boiler Plant Equipment	9,451,823	8,654,456	4.6	434,775	3.6	340,258	(94,517)
344 Turbogenerator Units	6,367,343	5,979,281	3.5	222,857	2.5	159,184	(63,673)
345 Accessory Electric Equipment	1,269,968	1,035,119	4.2	53,339	4.0	50,799	(2,540)
346 Misc Power Plant Equipment	202,454	200,223	2.5	5,081	0.2	405	(4,676)
Total	17,985,334	16,473,159					
Fort Myers Unit 2							
Fort Myers Unit 2							
341 Structures and Improvements	1,744,328	651,119	2.8	48,641	4.3	75,006	26,365
343 Boiler Plant Equipment	25,427,530	13,106,014	6.2	1,576,507	7.1	1,905,355	228,848
344 Turbogenerator Units	16,613,720	10,777,798	4.4	731,004	3.6	598,094	(132,910)
345 Accessory Electric Equipment	3,061,146	1,743,756	4.3	131,629	4.0	122,446	(9,183)
346 Misc Power Plant Equipment	233,060	167,746	3.0	6,992	5.5	12,818	5,826
Total	47,079,784	26,646,433					
TOTAL FOR SITE				4,027,600		4,020,965	(6,635)

FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF DEPRECIATION RATES AND COMPONENTS

ACCOUNT	CURRENT APPROVED INTERIM				COMPANY PROPOSED AND STAFF RECOMMENDED			
	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	DEPRECIATION RATE (%)
Part Everglades								
Part Everglades Common								
311 Structures and Improvements	19,162,816	7.2	(2)	59.7	17.3	7.2	(2)	51.07
312 Boiler Plant Equipment	904,852	22.0	(12)	75.8	22.0	7.3	(12)	16.47
314 Turbo-generator Units	2,738,931	6.9	(7)	80.8	28.0	5.9	(7)	44.86
315 Accessory Electric Equipment	4,011,875	14.0	(6)	49.7	14.0	7.4	(6)	45.59
316 Misc. Power Plant Equipment	1,690,713	15.9	0	64.1	15.9	5.7	0	52.71
Total	28,508,987							
Part Everglades Unit 1								
311 Structures and Improvements	1,568,572	9.3	(2)	66.7	31.0	4.9	(2)	68.89
312 Boiler Plant Equipment	16,810,534	5.9	(12)	78.5	18.7	5.8	(12)	81.79
314 Turbo-generator Units	11,213,569	9.2	(7)	84.1	25.0	5.4	(7)	81.43
315 Accessory Electric Equipment	1,873,498	4.6	(6)	83.1	28.0	4.8	(6)	85.65
316 Misc. Power Plant Equipment	148,715	5.6	0	78.6	30.0	6.5	0	87.26
Total	31,814,878							
Part Everglades Unit 2								
311 Structures and Improvements	1,162,344	6.5	(2)	79.4	29.0	6.5	(2)	84.63
312 Boiler Plant Equipment	17,515,151	6.4	(12)	71.2	17.6	8.4	(12)	67.00
314 Turbo-generator Units	10,468,718	6.3	(7)	78.3	24.0	6.3	(7)	72.40
315 Accessory Electric Equipment	1,310,251	6.5	(6)	78.9	25.0	6.5	(6)	79.65
316 Misc. Power Plant Equipment	261,044	6.6	0	74.6	25.0	6.6	0	75.44
Total	30,657,508							
Part Everglades Unit 3								
311 Structures and Improvements	1,005,972	7.5	(2)	57.7	17.3	7.5	(2)	59.80
312 Boiler Plant Equipment	49,378,719	5.8	(12)	69.6	14.8	5.8	(12)	60.39
314 Turbo-generator Units	12,982,764	7.0	(7)	75.3	24.0	7.0	(7)	64.13
315 Accessory Electric Equipment	8,085,054	7.5	(6)	55.0	15.5	7.5	(6)	42.45
316 Misc. Power Plant Equipment	427,101	7.5	0	81.0	19.3	7.5	0	50.96
Total	72,469,310							
Part Everglades Unit 4								
311 Structures and Improvements	728,022	13.9	(2)	53.2	17.7	8.5	(2)	63.44
312 Boiler Plant Equipment	60,774,818	13.5	(12)	64.6	13.5	5.7	(12)	47.62
314 Turbo-generator Units	11,704,198	14.1	(7)	75.1	29.0	8.4	(7)	78.42
315 Accessory Electric Equipment	10,020,281	15.8	(6)	49.0	15.8	8.5	(6)	41.16
316 Misc. Power Plant Equipment	104,640	7.2	0	57.5	20.0	6.5	0	59.27
Total	83,331,959							

FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF EXPENSES

ACCOUNT	CURRENT APPROVED INTERIM			COMPANY PROPOSED AND STAFF RECOMMENDED			
	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$	DEPRECIATION RATE (%)	EXPENSES (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
Port Everglades Common							
311 Structures and Improvements	18,162,816	9,786,706	5.9	1,130,606	7.1	1,360,560	229,954
312 Boiler Plant Equipment	904,852	149,324	5.0	45,243	13.1	118,536	73,293
314 Turbo-generator Units	2,738,931	1,223,300	3.8	104,079	9.0	248,504	142,425
315 Accessory Electric Equipment	4,011,875	1,828,883	7.6	304,887	8.2	328,657	24,070
316 Misc. Power Plant Equipment	1,850,713	891,193	6.3	108,515	6.3	140,329	33,814
Total	28,508,987	13,879,106					
Port Everglades Unit 1							
311 Structures and Improvements	1,568,572	1,364,332	3.3	51,783	2.9	45,489	(6,274)
312 Boiler Plant Equipment	16,910,534	13,831,378	6.0	1,014,632	5.4	913,169	(101,463)
314 Turbo-generator Units	11,213,559	9,131,113	4.2	470,969	4.7	527,037	56,068
315 Accessory Electric Equipment	1,973,498	1,690,219	3.8	74,993	4.4	86,834	11,841
316 Misc. Power Plant Equipment	148,715	129,802	3.3	4,908	2.0	2,974	(1,934)
Total	31,814,878	26,176,844					
Port Everglades Unit 2							
311 Structures and Improvements	1,162,344	983,637	3.5	40,682	2.7	31,383	(9,299)
312 Boiler Plant Equipment	17,515,151	11,735,526	6.4	1,120,870	7.0	1,226,081	105,091
314 Turbo-generator Units	10,468,718	7,579,683	4.6	481,561	5.5	575,779	94,218
315 Accessory Electric Equipment	1,310,251	1,043,669	4.2	55,031	4.1	53,720	(1,311)
316 Misc. Power Plant Equipment	201,044	151,658	3.0	7,841	3.7	7,439	(402)
Total	30,657,508	21,484,153					
Port Everglades Unit 3							
311 Structures and Improvements	1,008,972	601,555	5.9	59,352	5.6	56,334	(3,018)
312 Boiler Plant Equipment	49,378,719	29,820,842	7.6	3,752,783	9.2	4,542,842	790,059
314 Turbo-generator Units	12,592,764	8,075,231	4.5	568,674	6.1	788,158	201,485
315 Accessory Electric Equipment	9,095,054	3,860,606	6.8	618,464	6.5	773,080	154,616
316 Misc. Power Plant Equipment	427,101	217,644	5.2	22,209	6.5	27,762	5,553
Total	72,499,610	42,575,678					
Port Everglades Unit 4							
311 Structures and Improvements	728,022	461,821	5.7	41,497	4.5	32,761	(8,736)
312 Boiler Plant Equipment	60,774,818	28,938,368	8.3	5,044,310	11.3	6,887,554	1,823,244
314 Turbo-generator Units	11,704,188	9,178,650	3.7	433,065	3.4	397,943	(35,122)
315 Accessory Electric Equipment	10,020,281	4,124,453	6.7	671,359	7.6	781,541	90,182
316 Misc. Power Plant Equipment	104,640	61,985	5.0	5,232	4.8	5,023	(209)
Total	83,331,959	42,765,277					
TOTAL FOR SITE				18,226,815		19,892,270	1,668,155

FLORIDA POWER AND LIGHT COMPANY
 1987 DEPRECIATION STUDY
 COMPARISON OF DEPRECIATION RATES AND COMPONENTS

ACCOUNT	11.97 INVESTMENT		11.97 RESERVE		CURRENT APPROVED INTERIM				COMPANY PROPOSED AND STAFF RECOMMENDED					
		\$		\$	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	RESERVE (%)	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	RESERVE (%)	DEPRECIATION RATE (%)
Rowers Common														
311 Structures and Improvements	8,652,149		4,632,427		19.8	6.3	(2)	59.2	5.2	19.8	6.1	(2)	53.54	7.1
312 Boiler Plant Equipment	648,189		(183,311)		13.3	6.5	(12)	56.8	8.5	13.3	6.5	(12)	25.23	11.1
314 Turbo-generator Units	1,370,449		707,879		31.0	8.4	(7)	84.5	3.5	31.0	8.4	(7)	51.84	8.7
315 Accessory Electric Equipment	778,864		428,514		17.2	8.3	(6)	67.1	6.2	17.2	8.3	(6)	55.18	8.1
316 Misc. Power Plant Equipment	1,147,711		913,288		15.3	6.0	0	61.0	6.5	15.3	6.0	0	79.27	3.4
Total	12,595,362		6,518,367											
Rowers Unit 3														
311 Structures and Improvements	180,122		124,713		40.0	5.5	(2)	87.7	2.6	40.0	5.5	(2)	69.25	6.0
312 Boiler Plant Equipment	20,253,487		12,668,263		12.9	5.5	(12)	64.6	8.6	12.9	5.5	(12)	49.00	11.5
314 Turbo-generator Units	12,652,804		7,504,194		18.3	5.5	(7)	75.0	3.8	18.3	5.5	(7)	59.31	8.7
315 Accessory Electric Equipment	2,410,162		1,255,702		14.8	5.5	(6)	60.1	7.3	14.6	5.5	(6)	52.10	9.8
316 Misc. Power Plant Equipment	104,831		57,760		12.4	5.5	0	55.5	8.1	12.4	5.5	0	55.10	8.2
Total	41,611,466		21,810,662											
Rowers Unit 4														
311 Structures and Improvements	112,709		69,062		40.0	6.5	(2)	65.1	2.6	40.0	6.5	(2)	67.92	2.2
312 Boiler Plant Equipment	20,245,873		9,830,585		14.5	6.4	(12)	62.8	7.7	14.5	6.4	(12)	48.57	9.6
314 Turbo-generator Units	12,487,659		6,944,908		19.3	6.5	(7)	71.3	5.5	19.3	6.5	(7)	55.57	7.9
315 Accessory Electric Equipment	2,259,359		1,064,368		14.4	6.5	(6)	58.2	7.4	14.4	6.5	(6)	48.22	8.8
316 Misc. Power Plant Equipment	63,825		27,203		12.8	6.5	(1)	49.3	7.6	12.8	6.5	(1)	42.62	9.0
Total	35,184,525		17,966,204											

FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF EXPENSES

ACCOUNT	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$	CURRENT APPROVED INTERIM			COMPANY PROPOSED AND STAFF RECOMMENDED		
			DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
Rivers Common								
311 Structures and Improvements	8,652,149	4,632,427	5.2	449,912	216,303	7.7	666,215	216,303
312 Boiler Plant Equipment	648,189	(163,511)	8.5	55,096	81,672	21.1	136,768	81,672
314 Turbogenerator Units	1,370,449	707,679	3.5	47,966	71,263	6.7	119,229	71,263
315 Accessory Electric Equipment	776,694	428,514	6.2	48,107	14,761	8.1	62,928	14,761
316 Misc. Power Plant Equipment	1,147,711	913,258	6.5	74,601	(35,579)	3.4	39,022	(35,579)
Total	12,585,392	6,518,397						
Rivers Unit 3								
311 Structures and Improvements	180,122	124,743	2.6	4,683	6,124	6.0	10,807	6,124
312 Boiler Plant Equipment	26,263,467	12,868,263	8.6	2,258,658	761,641	11.5	3,020,299	761,641
314 Turbogenerator Units	12,652,904	7,504,194	5.8	733,858	366,935	8.7	1,100,803	366,935
315 Accessory Electric Equipment	2,410,162	1,255,702	7.3	175,942	60,254	9.8	236,196	60,254
316 Misc. Power Plant Equipment	104,831	57,760	8.1	8,491	105	8.2	8,596	105
Total	41,611,486	21,810,662						
Rivers Unit 4								
311 Structures and Improvements	112,709	99,092	2.6	2,930	(450)	2.2	2,480	(450)
312 Boiler Plant Equipment	20,240,973	9,630,585	7.7	1,558,555	445,301	9.9	2,003,856	445,301
314 Turbogenerator Units	12,487,659	6,844,938	5.5	687,371	299,944	7.9	987,315	299,944
315 Accessory Electric Equipment	2,269,359	1,054,386	7.4	167,933	34,040	8.9	201,973	34,040
316 Misc. Power Plant Equipment	63,825	27,203	7.8	4,978	766	9.0	5,744	766
Total	35,94,525	17,966,204						
TOTAL FOR SITE				6,279,151			8,602,231	2,323,080

FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF DEPRECIATION RATES AND COMPONENTS

ACCOUNT	1-1-97 INVESTMENT	1-1-97 RESERVE	CURRENT APPROVED INTERIM				COMPANY PROPOSED AND STAFF RECOMMENDED						
			AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	RESERVE (%)	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	RESERVE (%)	DEPRECIATION RATE (%)	
Sanford													
Sanford Common													
311 Structures and Improvements	26,354,612	13,965,656	27.0	12.5	(2)	53.0	3.9	27.0	12.5	(2)	52.99	3.9	
312 Boiler Plant Equipment	505,655	(144,167)	21.0	9.9	(12)	28.5	14.2	21.0	9.9	(12)	(28.51)	14.2	
314 Turbogenerator Units	1,723,225	1,205,731	37.0	12.7	(7)	70.0	2.9	37.0	12.7	(7)	69.97	2.9	
315 Accessory Electric Equipment	616,839	341,818	23.0	5.9	(6)	55.4	8.8	23.0	5.9	(6)	55.41	8.8	
316 Misc. Power Plant Equipment	550,710	233,715	21.0	8.7	0	42.4	6.8	21.0	8.7	0	42.44	6.8	
Total	29,751,151	15,802,753											
Sanford Unit 3													
311 Structures and Improvements	1,199,809	975,108	29.0	6.3	(2)	81.3	3.3	29.0	6.3	(2)	81.29	3.3	
312 Boiler Plant Equipment	8,325,673	7,378,942	24.0	8.0	(12)	86.5	4.3	24.0	8.0	(12)	86.55	4.2	
314 Turbogenerator Units	5,640,249	5,369,828	37.0	5.2	(7)	95.2	2.3	37.0	5.2	(7)	95.19	2.3	
315 Accessory Electric Equipment	1,500,489	1,362,324	29.0	5.6	(6)	90.4	2.8	29.0	5.6	(6)	90.43	2.8	
316 Misc. Power Plant Equipment	325,981	315,262	40.0	6.4	0	96.7	0.5	40.0	6.4	0	96.72	0.5	
Total	17,196,281	15,400,360											
Sanford Unit 4													
311 Structures and Improvements	2,864,755	1,644,264	36.0	13.8	(2)	64.4	2.7	36.0	13.8	(2)	64.38	2.7	
312 Boiler Plant Equipment	29,702,817	19,299,648	25.0	8.4	(12)	65.0	5.6	25.0	8.4	(12)	64.98	5.6	
314 Turbogenerator Units	14,387,794	8,474,087	26.0	8.9	(7)	58.9	5.4	26.0	8.9	(7)	58.90	5.4	
315 Accessory Electric Equipment	4,188,033	2,779,543	28.0	5.1	(6)	64.4	7.8	28.0	5.1	(6)	66.37	7.8	
316 Misc. Power Plant Equipment	1,185,587	852,364	28.0	6.5	0	65.0	4.3	28.0	6.5	0	71.90	4.3	
Total	52,338,966	33,349,956											
Sanford Unit 5													
311 Structures and Improvements	2,434,665	1,400,167	36.0	13.8	(2)	57.5	3.2	36.0	13.8	(2)	57.51	3.2	
312 Boiler Plant Equipment	28,418,684	19,738,871	28.0	8.5	(12)	69.4	4.5	28.0	8.5	(12)	69.45	4.5	
314 Turbogenerator Units	16,157,211	8,108,277	27.0	9.9	(7)	50.2	5.7	27.0	9.9	(7)	50.18	5.7	
315 Accessory Electric Equipment	3,454,894	2,362,909	28.0	6.1	(6)	68.4	6.2	28.0	6.1	(6)	69.39	6.2	
316 Misc. Power Plant Equipment	1,064,304	732,429	28.0	6.7	0	68.8	4.7	28.0	6.7	0	68.82	4.7	
Total	51,531,056	32,340,753											

FLORIDA POWER AND LIGHT COMPANY
1997 DEPRECIATION STUDY
COMPARISON OF EXPENSES

ACCOUNT	CURRENT		APPROVED	INTERIM	COMPANY PROPOSED AND STAFF RECOMMENDED		
	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$	DEPRECIATION RATE (%)	EXPENSES (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
Sanford							
Sanford Common							
311 Structures and Improvements	26,354,612	13,965,656	3.9	1,027,830	3.9	1,027,830	0
312 Boiler Plant Equipment	505,655	(144,167)	14.2	71,803	14.2	71,803	0
314 Turbogenerator UNITS	1,723,235	1,205,731	2.9	49,974	2.9	49,974	0
315 Accessory Electric Equipment	616,939	341,818	8.6	53,057	8.6	53,057	0
316 Misc. Power Plant Equipment	550,710	233,715	6.6	36,347	6.6	36,347	0
Total	29,751,151	15,602,753					
Sanford Unit 3							
311 Structures and Improvements	1,199,909	975,106	3.3	39,597	3.3	39,597	0
312 Boiler Plant Equipment	8,525,673	7,378,642	4.3	366,604	4.2	358,078	(8,526)
314 Turbogenerator UNITS	5,640,249	5,369,026	2.3	129,726	2.3	129,726	0
315 Accessory Electric Equipment	1,506,469	1,362,324	2.8	42,181	2.8	42,181	0
316 Misc. Power Plant Equipment	325,961	315,262	0.5	1,630	0.5	1,630	0
Total	17,198,261	15,400,360					
Sanford Unit 4							
311 Structures and Improvements	2,864,755	1,644,284	2.7	77,348	2.7	77,348	0
312 Boiler Plant Equipment	29,702,817	19,299,648	5.6	1,663,358	5.6	1,663,358	0
314 Turbogenerator UNITS	14,387,794	8,474,097	5.4	776,941	5.4	776,941	0
315 Accessory Electric Equipment	4,168,033	2,779,543	7.8	326,667	7.8	326,667	0
316 Misc. Power Plant Equipment	1,185,587	852,384	4.3	50,980	4.3	50,980	0
Total	52,328,986	33,249,956					
Sanford Unit 5							
311 Structures and Improvements	2,434,665	1,400,167	3.2	77,909	3.2	77,909	0
312 Boiler Plant Equipment	28,419,684	19,736,971	4.5	1,278,886	4.5	1,278,886	0
314 Turbogenerator UNITS	11,157,511	8,108,277	5.7	920,978	5.7	920,978	0
315 Accessory Electric Equipment	3,454,894	2,362,909	6.2	214,203	6.2	214,203	0
316 Misc. Power Plant Equipment	1,064,304	732,429	4.7	50,022	4.7	50,022	0
Total	51,531,058	32,340,753					
TOTAL FOR SITE				7,256,041		7,247,515	(8,526)

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FLORIDA POWER AND LIGHT COMPANY
 1997 DEPRECIATION STUDY
 COMPARISON OF DEPRECIATION RATES AND COMPONENTS

ACCOUNT	CURRENT APPROVED INTERIM				COMPANY PROPOSED AND STAFF RECOMMENDED				
	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	RESERVE (%)	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	DEPRECIATION RATE (%)
Turkey Point Fossil									
311 Structures and Improvements	24.0	11.2	(2)	54.0	4.3	24.0	11.7	(2)	56.42
312 Boiler Plant Equipment	18.4	11.3	(2)	42.7	6.1	18.4	11.3	(2)	28.17
314 Turbogenerator Units	28.0	11.5	(7)	59.0	4.2	26.0	11.5	(7)	51.37
315 Accessory Electric Equipment	22.0	10.8	(6)	52.7	4.9	22.0	10.8	(6)	49.21
316 Misc. Power Plant Equipment	18.5	8.8	0	53.6	5.4	18.5	8.8	0	58.38
Total									
Turkey Point Unit 1									
311 Structures and Improvements	23.0	10.5	(2)	55.8	4.4	23.0	10.5	(2)	33.71
312 Boiler Plant Equipment	12.9	8.1	(2)	42.3	8.6	12.9	8.1	(2)	37.65
314 Turbogenerator Units	20.0	9.9	(7)	54.7	5.3	20.0	9.9	(7)	48.13
315 Accessory Electric Equipment	20.0	9.9	(6)	54.8	5.2	20.0	9.9	(6)	80.63
316 Misc. Power Plant Equipment	34.0	10.5	0	69.5	2.9	34.0	10.5	0	79.05
Total									
Turkey Point Unit 2									
311 Structures and Improvements	19.7	11.3	(2)	43.4	5.2	19.7	11.3	(2)	39.06
312 Boiler Plant Equipment	16.1	8.7	(2)	51.5	7.0	16.1	8.7	(2)	38.59
314 Turbogenerator Units	19.5	10.8	(7)	47.6	5.5	19.5	10.8	(7)	42.38
315 Accessory Electric Equipment	22.0	10.2	(6)	56.6	4.8	22.0	10.2	(6)	56.21
316 Misc. Power Plant Equipment	34.0	9.2	0	73.3	2.9	34.0	9.2	0	68.97
Total									
	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$							
Turkey Point Fossil	8,582,975	4,847,875							
311 Structures and Improvements	1,698,888	478,048							
312 Boiler Plant Equipment	1,269,325	718,828							
314 Turbogenerator Units	3,164,358	1,557,214							
315 Accessory Electric Equipment	607,868	354,868							
316 Misc. Power Plant Equipment	15,481,560	7,856,808							
Turkey Point Unit 1	1,875,837	632,307							
311 Structures and Improvements	53,847,580	20,274,588							
312 Boiler Plant Equipment	17,029,943	8,198,119							
314 Turbogenerator Units	4,260,576	2,681,838							
315 Accessory Electric Equipment	412,901	328,481							
316 Misc. Power Plant Equipment	7,557,027	32,081,324							
Turkey Point Unit 2	1,974,440	771,219							
311 Structures and Improvements	30,648,578	11,827,581							
312 Boiler Plant Equipment	16,212,890	8,868,568							
314 Turbogenerator Units	3,570,868	2,007,305							
315 Accessory Electric Equipment	371,004	255,898							
316 Misc. Power Plant Equipment	52,777,776	21,730,571							

FLORIDA POWER AND LIGHT COMPANY
1997 DEPRECIATION STUDY
COMPARISON OF EXPENSES

ACCOUNT	CURRENT APPROVED INTERIM		COMPANY PROPOSED AND STAFF RECOMMENDED				
	1-1-97 INVESTMENT \$	1-1-97 RESERVE \$	DEPRECIATION RATE (%)	EXPENSES (\$)	DEPRECIATION RATE (%)	EXPENSES (\$)	INCREASE (DECREASE) (\$)
Turkey Point Fossil							
Turkey Point Common							
311 Structures and Improvements	8,592,975	4,643,474	4.3	369,498	4.1	352,312	(17,186)
312 Boiler Plant Equipment	1,696,888	724,518	6.1	103,510	7.4	175,570	22,060
314 Turbogenerator UNits	1,399,305	826,175	4.2	58,771	4.8	87,167	8,396
315 Accessory Electric Equipment	3,164,356	1,666,303	4.9	155,053	5.3	167,711	12,658
316 Misc. Power Plant Equipment	607,866	325,573	5.4	32,825	4.8	29,178	(3,647)
Total	15,461,390	8,186,043					
Turkey Point Unit 1							
311 Structures and Improvements	1,875,931	1,047,685	4.4	82,541	6.5	121,936	39,395
312 Boiler Plant Equipment	53,847,580	22,755,598	8.8	4,630,892	9.2	4,953,977	323,085
314 Turbogenerator UNits	17,029,943	9,309,133	5.3	902,587	5.9	1,004,767	102,180
315 Accessory Electric Equipment	4,390,576	2,405,485	5.2	228,310	4.6	201,966	(26,344)
316 Misc. Power Plant Equipment	412,991	287,235	2.9	11,977	2.0	6,260	(3,717)
Total	77,557,027	35,805,136					
Turkey Point Unit 2							
311 Structures and Improvements	1,974,440	857,194	5.2	102,671	5.6	110,569	7,898
312 Boiler Plant Equipment	30,648,576	15,782,937	7.0	2,145,400	8.4	2,574,480	429,080
314 Turbogenerator UNits	16,212,890	7,718,773	5.5	891,709	6.0	972,773	81,064
315 Accessory Electric Equipment	3,570,866	2,019,989	4.8	171,402	4.9	174,972	3,570
316 Misc. Power Plant Equipment	371,004	272,020	2.9	10,759	3.4	12,614	1,855
Total	52,777,776	26,650,913					
TOTAL FOR SITE				<u>9,897,905</u>		<u>10,878,252</u>	<u>980,347</u>
GRAND TOTAL				<u>54,589,135</u>		<u>64,689,515</u>	<u>10,120,751</u>

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