



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M- **RECEIVED**

JUN - 4 1998

205
FPSC - Records/Reporting

DATE: JUNE 4, 1998

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

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (CAMPBELL, SEAUX, DRAPER, LEE, REVELL, SICKEL, SWAIN) *DM*
DIVISION OF ELECTRIC AND GAS (COLSON) *RVE*
DIVISION OF LEGAL SERVICES (C. KEATING) *WOK*

RE: DOCKET NO. 970643-EI - 1997 DEPRECIATION FILING BY GULF POWER COMPANY. *SDT*

AGENDA: 06/16/98 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\AFA\WP\970643.RCM
R:\PSC\AFA\123\970643G.wk4
R:\PSC\AFA\123\970643D.wk4

CASE BACKGROUND

By Order No. PSC-93-1808-FOF-EI, issued December 20, 1993 in Docket No. 930221-EI, Gulf Power Company's ("Gulf" or "the Company") current depreciation rates, amortization schedules, and dismantlement provision were approved with an effective date of January 1, 1994. Pursuant to Rule 25-6.0436, Florida Administrative Code, the Company filed a quadrennial comprehensive study covering dismantlement and depreciation requirements on May 29, 1997. Staff has completed its review of the study and presents its recommendation herein.

DOCUMENT NUMBER-DATE

06022 JUN-4 8

FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should Gulf's current depreciation rates, amortization schedules, and provision for dismantlement be changed?

RECOMMENDATION: Yes. A review of the Company's plans and activity indicates the need for revising its depreciation rates, amortization schedules, and provision for dismantlement. (LEE)

STAFF ANALYSIS: Gulf's current depreciation rates, amortization schedules, and dismantlement provision were approved effective January 1, 1994. In keeping with Rule 25-6.0436, Florida Administrative Code, the Company filed a quadrennial comprehensive study covering dismantlement and depreciation requirements on May 29, 1997. Since the time of the last represcription, changes brought about by Company activity and planning suggest the need to review and revise rates, amortization schedules, and dismantlement accruals where appropriate.

In its study, the Company has provided production plant investment stratified into homogeneous categories within each account at each steam generation site. As a result of this stratification of investment, recovery provisions can be more closely matched to the life characteristics of specific categories of the investment made to provide for steam generation of electric power. Taken together with changes in net plant balances and updated planning, a need for review and revision of recovery provisions is indicated.

The Company has also proposed expanding the amortizations currently in place for certain general plant accounts. Accounts 393 (Stores), 394 (Tools, Shop, & Garage), and 395 (Laboratory) are currently separated into depreciable assets and amortizable assets. These accounts represent minor investments of numerous items that are difficult to track or trace. The total depreciated investments in these accounts comprise less than 0.2% of Gulf's plant in service as of January 1, 1998. Gulf proposes to incorporate the depreciable assets into the amortizations.

Finally, this study provides an opportunity to review the annual accrual which has been undertaken to provide for the dismantlement of fossil fueled generation plants following the retirement of those installations.

DOCKET NO. 970643-EI

DATE: JUNE 4, 1998

ISSUE 2: What should be the implementation date for the recommended depreciation rates, amortization schedules, and dismantlement provision?

RECOMMENDATION: Staff recommends approval of the Company's proposed January 1, 1998 date of implementation for the new depreciation rates, schedules, and dismantlement accruals. (Lee)

STAFF ANALYSIS: Company data and related calculations about the January 1, 1998, date. This is the recommended date of implementation, being the earliest practicable date for utilizing the revised rates, schedules, and dismantlement accruals.

ISSUE 4: Should the current approved annual accrual for dismantlement for Gulf Power Company be revised?

RECOMMENDATION: Yes. The annual provision for dismantlement beginning January 1, 1998 should be \$5,661,332 as shown on Attachment A, page 13. This represents a \$981,411 increase over the current approved annual accrual. (DRAPER, LESTER, LEE)

STAFF ANALYSIS: By Order No. 24741, issued July 1, 1991 in Docket No. 891086-EI, the Commission established the methodology for accruing the costs of fossil fuel dismantlement. Pursuant to that order, electric companies are required to file dismantlement studies at least once every four years in connection with their depreciation studies.

Gulf's currently approved annual dismantlement accrual is \$4,665,254. The accrual was determined using a straight-line amortization of Gulf's 1993 dismantlement cost estimates over the remaining life of each fossil unit. During 1993, Gulf received a waiver from the Commission to continue developing its dismantlement accrual using a straight-line amortization as opposed to using the methodology established in Order No. 24741.

The dismantlement studies submitted in this docket represent the Company's initial move to determining its dismantlement accrual based on the methodology approved in Order No. 24741. The Company's proposed annual accrual of \$6.2 million is based on its current dismantlement cost estimates, escalated to future costs through the time of dismantlement. The future costs less amounts recovered to date have then been discounted in a manner that accrues the costs over the remaining life span of each plant. After making adjustments to the estimated rates of inflation included in Gulf's study to reflect the most current DRI Review of the U.S. Economy - Long Range Focus inflation rate forecasts, staff calculates a four year average annual accrual of approximately \$5.7 million.

While the estimated costs to dismantle Plant Scherer and the gas turbine at Plant Smith have increased, the estimated gross costs of dismantling Gulf's fossil plants have decreased since the previous studies. The base costs for dismantlement at December 31, 1993 were estimated at \$138.2 million, while the current studies estimate total base costs of \$107.4 million.

The decrease in Gulf's estimated costs to dismantle its steam plants is primarily attributed to the recognition of using power-operated shears in the dismantling process, changes in the current market price of scrap materials, and changes in overhead percentages. The current studies reflect a scope change relating

DATE: JUNE 4, 1998

to the dismantlement of structures. The previous studies assumed a "Reverse Construction" method of structural dismantlement. This method is based on taking the building or structure down in the reverse order of its construction. The current studies reflect the "Pull Down" method of structural dismantlement in which each structure is simply pulled down. Metal shears are then used to break down the scrap, thus making handling and removal much easier. The "Pull Down" method of structural dismantlement is more efficient, less costly, and requires less time to complete. The labor hours needed for dismantlement are therefore reduced.

Additionally, the current studies reflect a change in the overhead percentages used in developing the dismantlement costs for Plants Crist, Smith, and Scholz. Administrative and general overheads were reduced from 2% to 1% and engineering and supervision overheads were reduced from 8% to 1%. These reductions reflect the standard percentages used by Gulf's corporate parent, Southern Company, in its dismantlement studies. The previous studies for Plants Daniel and Scherer already reflected these standard overhead percentages.

As with the previous studies, Gulf has included a 10% contingency factor to cover uncertainty in the dismantlement cost estimates. The factor is comprised of a 5% pricing contingency and a 5% scope omission contingency. The pricing contingency provides a level of confidence that the estimates will not overrun due to a pricing error. The scope omission contingency gives consideration to the conceptual nature of the base cost estimates and the difficulty in obtaining quantity and weight records. This factor also includes a recognition of hazardous waste environmental assessments that can only be performed at the time of dismantlement.

In summary, staff recommends that the four year average annual accrual for fossil fuel dismantlement, beginning in 1998, should be approximately \$5.7 million. While the total base cost estimates have decreased since 1993, the increase from the current annual accrual of \$4.7 million reflects the Company's move to determining its dismantlement accrual based on the methodology approved in Order No. 24741.

DATE: JUNE 4, 1998

ISSUE 5: What are the appropriate depreciation rates and amortization schedules?

RECOMMENDATION: The staff recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B, page 14. These rates result in an increase in annual depreciation expense by about \$2.7 million based on January 1, 1998 investments as shown on Attachment C, pages 15 - 16. (LEE, SICKELL, REVELL)

STAFF ANALYSIS: Staff's recommendations are the result of a comprehensive review of the Company's submitted study. Attachment B, page 14, shows a comparison of rate components (lives, salvages, and reserves). Attachment C, pages 15 and 16, shows the estimated resultant annual expenses based on January 1, 1998 investments. A summary of the changes in annual expenses are as follows:

	(\$000)
Production	3,222.9
Transmission	(151.6)
Distribution	(1,605.1)
General	299.7
Total Rates/Amortizations	1,765.9
Provision for Dismantlement	981.4
Total Change in Annual Expenses	2,747.2

Production

The most significant changes are seen in the production plant area. In the current study, Gulf's proposed lives reflect a change in the utilization of its steam generation units. The Company has explained that much of its base load power generation comes from dispatching newer units which incorporate new technologies and produce lower cost power. The steam generation units will be dispatched when additional power is required, and are expected to run fewer hours than under the former planning. Both staff and the Company recognize that increased wear and tear is associated with each start-up, but the intermittent operation is expected to result in additional years of service.

Gulf has utilized its continuing property record system to develop stratified categories expected to have homogenous life characteristics. The life of the account is then determined 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 determining the pattern of interim retirements and life expectancy of the generating plant without identifying the contents or quantifying the varying life characteristics of the assets.

As in its previous two depreciation studies, Gulf has proposed depreciation rates by site even though the development of its life parameters are provided for each account within each unit for each site. Ideally, where large components of investment have a life foreseeably different from the average, there is an argument for separate rates. Such rates might be developed by unit within the plant site, or for some major project that will retire substantial dollars before recovery. According to Gulf, application of a composite depreciation rate by site results in essentially the same amount of depreciation expense as applying individual rates by unit; therefore, such subcategorization would seem unnecessary. Additionally, Gulf states it would be burdensome to maintain the reserve at a more detailed level, especially with the advent of competition.

Staff's recommendation in this case is to maintain depreciation rates at a site level. However, this recommendation should not be construed to mean that Staff believes that further subcategorization may not be in order in the future. We will continue to address the need for additional subcategorization in future depreciation prescriptions as circumstances change and life patterns for the various strata become more refined. The goal is to match recovery with consumption.

Transmission and Distribution

In the current study, Gulf has described specific differences between the circumstances impacting distribution station equipment and those impacting transmission equipment. In particular, distribution equipment is subject to more frequent retirement to accommodate growth and changing customer needs. Again, the analysis and resulting recommendations incorporated the differences described by the Company.

Gulf proposed a change in the recovery for Easements, Account 350, to reflect a decrease from a 75-year service life to a 40-year service life. Up until the current proposal, Gulf estimated the lives for easements as the maximum probable life of the transmission equipment installed on the easement. The Company now states that 75 years is "inordinately long" and has proposed a life

DATE: JUNE 4, 1998

of 40 years because it is similar to the life applied to intangible assets. While staff does not believe that easements should be considered intangible assets, we do believe that lives over 50 years are arguably more subjective. For this reason, staff proposes a 50 year service life and 26 year remaining life.

Differences between the position of the Company and staff also exist with the net salvage components for Poles and Fixtures (Account 355), Line Transformers (Account 368), and Overhead Services (Account 369.1). Gulf's existing net salvage factor for Poles and Fixtures (Account 355) is negative 35%. It has proposed a negative 45% net salvage factor as being in line with the account's recent experience. However, the annual retirement rate for the account has averaged historically about 1%. This retirement experience is insufficient to make statistical analyses meaningful. Reliance on industry averages for life and salvage factors is therefore necessary. Currently, other Florida utility companies have prescribed net salvage factors in the range of negative 35% to negative 20%. Staff's recommended negative 40% net salvage recognizes the labor intensiveness of the account.

Removal costs for Line Transformers (Account 368) have averaged 35% over the 1977-1996 period and 40% over the 1992-1996 period. Gross salvage has averaged 9% over the 1977-1996 period and 8% over the 1992-1996 period. While Gulf's proposal to move from a negative 15% net salvage to a negative 25% net salvage recognizes increased removal costs, staff is concerned with the level of removal costs this account is experiencing. The accounting treatment for this equipment is cradle-to-grave, that is, at the time a transformer is purchased, the cost is immediately charged to plant-in-service and not retired until final disposition. The change-out, resetting, or refurbishment costs are expensed. Accordingly, one would expect very little gross salvage and removal cost to be realized upon retirement unless there are special conditions. However, Gulf states that removal costs associated with retired transformers relate to less than one third of the total removal costs being experienced in this account. Other items such as cutouts and arresters represent a large percentage of the total removal costs incurred.

Gulf also states that the final retirement process is initiated when the Accounting Department is notified by the Company's repair shop of the number of transformers retired and scrapped. At that time, accounting personnel will debit plant removal cost and credit the appropriate operation expense account with the estimated final removal cost incurred by the line crew to remove the transformer being retired. Gulf also submitted a copy of a FERC audit issue that stated that the cost of removing plant retired should be recorded in the reserve.

Staff believes that the cost of removal, as applicable to line transformers, relates to final disposal costs when the transformers can no longer be repaired and are thus retired. Removal costs should not include costs incurred with removing the transformer from the location and sending it to the repair shop. Staff's recommendation recognizes a higher expected removal cost for a major portion of the account's investment with a zero removal cost for the disposal of the transformers.

Gulf proposes to decrease its net salvage factor for Overhead Services (Account 369.1) to negative 5% in order to recognize the activity of the account. Net salvage over the most recent five year period has been essentially zero. The annual retirement rate has averaged just over 1%, indicating that reliance on history will not provide meaningful analyses. Other Florida utility companies have prescribed net salvage factors ranging from negative 15% to negative 60%. Typically, this type of equipment incurs removal costs and realizes little scrap salvage upon retirement. While some decrease in negative net salvage may be in order, staff is hesitant to recommend a decrease to negative 5%. Staff therefore recommends a negative net salvage of 15%.

For the remaining transmission and distribution accounts, the Company's life and salvage proposals are in the range of reasonableness and acceptable to staff.

General Plant

The general plant accounts are basically status quo. In other words, recommended remaining lives generally reflect an update of each account's activity since the last review. Underlying service lives and mortality dispersions are still considered appropriate and reasonable. The exceptions are the life for Light Trucks and the salvage for Heavy Trucks. In both cases, the Company's proposals are in line with each account's activity and are therefore acceptable.

As discussed in Issue 3, Gulf no longer has any investment relating to Account 392.1, Automobiles. The residual reserve as of January 1, 1998, is about \$93,000. Staff recommends a transfer of the reserve to Account 392.2, Light Trucks, to help correct the reserve deficit in that account. Use of the Automobiles Account is discontinued for Gulf at this time.

Amortizations

Gulf has proposed that the depreciable portions of Accounts 393 (Stores), 394 (Tools, Shop, & Garage) and 395 (Laboratory) be amortized over 7 years, beginning January 1, 1998. Subsequent

DOCKET NO. 970643-EI
DATE: JUNE 4, 1998

additions will be maintained by vintage and amortized accordingly. The Company states that these investments represent high volume items of small value which do not warrant individual tracking. Further, these investments represent less than 0.2% of Gulf's January 1, 1998, total plant in service. The use of amortization is in line with Staff's efforts to simplify the depreciation study process, where possible, and is acceptable.

DOCKET NO. 970643-EI
DATE: JUNE 4, 1998

ISSUE 6: Should this docket be closed?

RECOMMENDATION: This docket should be closed if no person, whose substantial interests are affected by the proposed action, files a protest within the 21 day protest period.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed.

FOSSIL DISMANTLEMENT ACCRUAL

	CURRENT ACCRUAL *	COMPANY PROPOSED ACCRUAL	CHANGE IN ACCRUAL	STAFF RECOMMENDED ACCRUAL	CHANGE IN ACCRUAL
	(\$)	(\$)	(\$)	(\$)	(\$)
Plant Crist	2,614,167	3,117,032	502,865	2,825,842	211,675
Plant Smith	898,662	1,330,500	431,838	1,208,663	310,001
Plant Scholz	564,889	570,830	5,941	511,321	(53,568)
Plant Daniel	550,457	862,564	312,107	792,938	242,481
Plant Scherer	37,079	337,201	300,122	312,723	275,644
Total Steam	4,665,254	6,218,127	1,552,873	5,651,487	986,233
Plant Smith CT	14,667	10,512	(4,155)	9,845	(4,822)
Total Gulf Power	4,679,921	6,228,639	1,548,718	5,661,332	981,411

* Current accrual determined using the straight line method.

**GULF POWER COMPANY
1997 STUDY
COMPARISON OF RATES AND COMPONENTS**

ACCOUNT	CURRENT				COMPANY PROPOSAL				STAFF RECOMMENDATION			
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	ESTIMATED RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
STEAM PRODUCTION PLANT												
PLANT BARGE	35.0	(2.0)	45.40	2.5	14.0	(7.0)	43.69	2.4	34.0	(7.0)	45.52	2.4
PLANT CRIST	25.0	(2.0)	40.89	2.7	17.7	(2.0)	41.08	2.5	17.7	(2.0)	41.19	2.5
PLANT SCHOLE	19.4	0.0	64.63	1.7	17.2	(2.0)	68.92	2.5	12.2	(2.0)	68.87	2.5
PLANT SMITH	21.0	(2.0)	47.20	2.7	14.4	(2.0)	50.81	2.2	16.4	(2.0)	51.20	2.2
PLANT SCHNEER	24.0	0.0	21.84	2.2	25.0	(4.0)	20.57	2.1	25.0	(4.0)	20.40	2.1
STEAM SUPPLEMENTARY STEAM PRODUCTION												
210.0 Fleet Diesel Steamers	25.0	0.0	42.77	1.9	24.0	0.0	53.25	1.4	24.0	0.0	53.27	1.4
210.0 Fleet Crbt Steamers	21.0	0.0	29.72	1.9	21.0	0.0	43.00	2.4	21.0	0.0	47.20	2.2
211.0 Fleet Diesel Hull Trucks	22.0	0.0	20.42	1.2	24.0	0.0	26.28	1.2	24.0	0.0	26.42	1.2
214.0 Production PH Furnitures Equip.		5 Year Amortization				5 Year Amortization				5 Year Amortization		
214.0 Production PH Furnitures Equip.		7 Year Amortization				7 Year Amortization				7 Year Amortization		
OTHER PRODUCTION												
Boat Trucks	7.5	0.0	62.03	2.0	8.2	0.0	72.00	0.0	8.2	0.0	52.42	0.0
TRANSMISSION PLANT												
220.0 Steamers	22.0	0.0	24.71	1.2	15.4	0.0	24.50	2.0	22.0	0.0	24.51	2.4
222.0 Structures & Improvements	22.0	(2.0)	16.22	2.2	22.0	(10.0)	22.22	2.2	22.0	(10.0)	22.22	2.2
223.0 Station Equipment	24.0	(2.0)	24.12	2.7	22.0	(10.0)	26.29	2.2	27.0	(10.0)	26.62	2.7
224.0 Towers and Poles	19.2	(20.0)	50.43	2.1	20.0	(20.0)	71.27	2.4	20.0	(20.0)	71.12	2.4
225.0 Poles and Pylons	22.0	(20.0)	51.92	2.4	27.0	(20.0)	52.11	4.1	27.0	(20.0)	51.92	4.0
226.0 Overhead Conductors & Devices	12.2	(20.0)	21.81	2.7	21.0	(20.0)	40.43	2.2	21.0	(20.0)	39.42	2.9
228.0 Underground Conductors & Devices	22.0	(2.0)	4.22	2.0	21.0	(2.0)	17.71	2.0	21.0	(2.0)	17.71	2.0
229.0 Roads & Trails	24.0	0.0	25.26	1.4	17.0	0.0	20.77	4.1	22.0	0.0	20.97	2.7
DISTRIBUTION PLANT												
261.0 Structures & Improvements	20.0	(2.0)	22.71	2.7	27.0	(10.0)	21.50	2.9	27.0	(10.0)	20.62	2.9
262.0 Station Equipment	22.0	(2.0)	22.62	2.2	27.0	(10.0)	22.02	2.0	27.0	(10.0)	21.70	2.0
264.0 Poles, Towers & Pylons	24.0	(10.0)	24.97	4.2	24.0	(20.0)	24.47	2.2	24.0	(20.0)	24.40	2.2
265.0 Overhead Conductors	24.0	(10.0)	22.94	2.2	22.0	(10.0)	22.24	2.2	22.0	(10.0)	22.40	2.2
266.0 Underground Conductors	22.0	0.0	27.79	1.9	22.0	0.0	20.22	1.9	22.0	0.0	20.20	1.9
267.0 Underground Conduct. & Devices	20.0	0.0	20.40	2.2	21.0	0.0	22.02	2.4	21.0	0.0	22.00	2.4
268.0 Line Transformers	14.5	(12.0)	24.24	4.9	21.0	(20.0)	26.40	4.2	21.0	(15.0)	27.00	2.7
269.1 Overhead Services	19.4	(20.0)	42.12	4.2	19.4	(2.0)	31.21	2.7	19.4	(15.0)	32.24	2.1
269.2 Underground Services	24.0	(10.0)	15.99	2.2	21.0	(2.0)	27.00	2.9	21.0	(2.0)	26.91	2.7
269.3 Service-Entrance	10.4	0.0	65.41	2.2	8.4	0.0	73.17	2.2	8.4	0.0	73.22	2.2
270.0 Meters	17.4	(2.0)	42.22	2.4	19.0	(2.0)	27.09	2.2	19.0	(2.0)	42.12	2.0
272.0 Street Lights	11.2	(10.0)	22.02	7.4	10.7	(10.0)	22.82	7.2	10.7	(10.0)	20.46	7.4
GENERAL PLANT												
290.0 Structures & Improvements	24.0	0.0	22.74	2.2	20.0	0.0	21.70	2.2	20.0	0.0	22.14	2.4
292.1 Transportation Equip.-Automobiles	1.7	20.0	22.02	9.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
292.2 Transportation Equip.-Light Trucks	2.2	20.0	26.79	12.4	2.2	20.0	42.90	4.2	2.2	20.0	42.22	4.2
292.3 Transportation Equip.-Heavy Trucks	7.1	15.0	28.99	7.9	7.2	20.0	20.22	4.9	7.2	20.0	28.49	7.0
292.9 Transportation Equip.-Trailers	17.4	15.0	26.04	2.2	11.8	15.0	21.21	2.4	11.8	15.0	20.24	2.1
293.0 Storage Equipment - Fixed	4.8	0.0	27.27	6.2								
294.0 Tools, Shop & Garage Equip.-Fixed	22.0	0.0	17.20	2.2								
295.0 Laboratory Equipment - Fixed	14.9	0.0	11.20	2.9								
296.0 Power Operated Equipment	2.0	15.0	27.44	2.0								
297.0 Communication Equipment	12.4	(2.0)	27.24	4.1	6.2	15.0	24.24	2.2	6.2	15.0	24.47	2.2
291.1 Office Furniture - Computer		5 Year Amortization			10.0	(2.0)	14.20	2.2	10.0	(2.0)	2.27	2.2
291.2 Office Furniture -Non Computer		7 Year Amortization										
292.0 Marine and Other Equip.		5 Year Amortization										
293.0 Storage Equipment - Portable		7 Year Amortization										
294.0 Tools, Shop, & Garage Equip. - Portable		7 Year Amortization										
295.0 Laboratory Equipment - Portable		7 Year Amortization										
297.0 Communication Equipment - Official		7 Year Amortization										
298.0 Miscellaneous Equipment		7 Year Amortization										

** Restated Reserve by 92,000

Docket No. 970643-21
Date: June 4, 1998

Attachment B
Pg. 1 of 1

GULF POWER COMPANY
1997 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/98 INVESTMENT	5/1/98 RESERVE	CURRENT		COMPANY PROPOSAL			STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)
STEAM PRODUCTION PLANT										
PLANT DANIEL	205,628,789	89,487,918	2.5	5,140,720	2.4	4,933,091	(208,629)	2.4	4,933,091	(208,629)
PLANT CRIST	294,907,226	188,544,802	2.7	10,392,495	2.5	12,471,753	2,079,258	2.5	12,471,753	2,079,258
PLANT SCHOLS	28,715,942	19,777,553	1.7	488,171	2.5	717,899	229,728	2.5	717,899	229,728
PLANT SMITH	105,150,825	53,668,885	2.7	2,839,872	3.2	3,364,826	525,794	3.2	3,364,826	525,794
PLANT SCHERRER	174,706,662	83,464,879	2.3	4,919,253	2.1	3,668,840	(349,413)	2.1	3,668,840	(349,413)
Subtotal	809,109,444	375,953,137		22,878,211		26,106,400	3,228,189		26,106,400	3,228,189
OTHER DEPRECIABLE STEAM PRODUCTION										
310.0 Plant Daniel Basements	77,100	41,100	1.9	1,488	1.4	1,000	(388)	1.4	1,000	(388)
310.0 Plant Crist Basements	20,378	9,642	1.9	387	2.6	530	143	2.5	509	122
311.0 Plant Daniel Hall Tracks	2,741,518	1,548,738	1.5	41,124	1.3	25,641	(5,483)	1.3	25,641	(5,483)
316.0 Production Fit Furniture Equip.	124,827	85,084	5 Yr Amort.	28,875	5 Yr Amort.	28,875	0	5 Yr Amort.	28,875	0
316.0 Production Fit Furniture Equip.	1,999,942	969,791	7 Yr Amort.	258,415	7 Yr Amort.	258,415	0	7 Yr Amort.	258,415	0
Subtotal	4,933,925	2,892,403		322,567		322,561	(6,726)		322,560	(6,747)
OTHER PRODUCTION										
Smith Turbines	4,251,289	3,971,378	2.0	85,025	0.9	38,261	(46,764)	0.8	34,910	(51,918)
Subtotal	4,251,289	3,971,378		85,025		38,261	(46,764)		34,910	(51,918)
TOTAL PRODUCTION PLANT	814,061,733	419,924,515		23,203,801		26,444,661	3,221,417		26,441,170	3,226,271
TRANSMISSION PLANT										
350.0 Basements	8,827,327	3,478,000	1.2	114,328	2.0	362,636	247,710	2.4	228,606	114,328
352.0 Structures & Improvements	4,098,686	1,361,476	2.8	114,679	2.8	182,282	(12,387)	2.2	90,100	(24,574)
353.0 Station Equipment	65,696,207	20,388,730	2.7	1,582,719	2.3	1,280,093	(222,626)	2.7	1,582,719	0
354.0 Towers and Fixtures	22,265,302	15,798,047	2.1	688,302	2.6	832,879	(168,423)	2.4	832,879	(168,423)
355.0 Poles and Fixtures	30,514,967	9,750,816	2.6	1,098,639	4.1	1,291,114	182,873	4.0	1,228,589	122,000
356.0 Overhead Conduct. & Devices	28,188,202	15,557,000	2.7	988,667	2.8	733,046	(235,621)	2.9	799,228	(208,441)
358.0 Underground Conductors & Devices	13,812,287	2,411,288	2.8	381,147	2.8	381,147	0	2.8	381,147	0
359.0 Roads & Trails	52,178	16,157	1.4	720	4.1	2,129	1,409	2.7	1,409	678
Subtotal	181,332,246	68,752,632		4,906,110		4,614,808	(291,302)		4,716,732	(189,371)
DISTRIBUTION PLANT										
361.0 Structures & Improvements	9,750,564	2,988,187	2.7	282,263	2.9	282,766	19,501	2.9	282,766	19,501
362.0 Station Equipment	98,146,823	27,189,671	2.5	2,748,111	3.0	2,944,405	196,294	3.0	2,944,405	196,294
364.0 Poles, Towers & Fixtures	72,601,123	25,906,819	4.5	3,484,854	5.2	3,775,258	290,404	5.2	3,775,258	290,404
365.0 Overhead Conductors	89,955,617	32,745,610	3.2	2,878,580	3.3	2,968,835	89,955	3.2	2,878,580	0
366.0 Underground Conduit	1,190,838	598,041	1.9	22,611	1.9	22,611	0	1.9	22,611	0
367.0 Underground Conductors & Devices	41,677,464	12,111,971	2.5	1,437,711	3.4	1,396,634	(41,077)	3.4	1,298,634	(41,077)
368.0 Line Transformers	124,322,919	48,068,988	4.9	6,091,823	4.2	5,221,563	(870,260)	3.7	4,509,948	(1,491,875)
369.1 Overhead Services	32,478,100	17,387,278	4.5	1,481,425	2.7	878,855	(602,570)	3.1	1,008,759	(482,666)
369.2 Underground Services	15,521,888	4,178,472	2.8	589,832	3.7	574,310	(15,522)	3.7	574,310	(15,522)
369.3 Service-Housepower Boxes	6,328,376	4,835,347	2.3	208,836	3.2	202,508	(6,328)	3.2	202,508	(6,328)
370.0 Meters	25,469,733	11,500,418	3.4	965,971	2.8	891,441	25,470	3.0	799,092	(101,879)
373.0 Street Lights	29,850,432	8,849,412	7.4	2,149,732	7.8	2,178,782	29,050	7.4	2,149,732	0
Subtotal	619,891,090	194,162,911		22,202,721		21,138,668	(1,064,053)		20,897,692	(1,505,148)

Docket No. 970643-RT
Date: June 4, 1998

Attachment C
Pg. 1 of 2

GULF POWER COMPANY
1987 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/88 INVESTMENT	1/1/88 RESERVE	CURRENT		COMPANY PROPOSAL			STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)
GENERAL PLANT										
390.0 Structures & Improvements	52,745,754	15,367,563								
392.1 Transportation Equip.-Automobiles	0	0	2.3	1,213,152	2.3	1,213,152	0			
392.2 Transportation Equip.-Light Trucks	3,823,537	2,419,849	9.9	0	N/A	0	0	2.4	1,265,808	52,746
392.3 Transportation Equip.-Heavy Trucks	15,382,142	4,527,969	18.4	598,671	4.6	175,897	0	N/A	0	0
392.9 Transportation Equip.-Trailers	1,344,116	313,970	7.9	1,212,919	6.9	1,059,298	(412,974)	4.8	193,944	(405,327)
393.0 Stores Equipment - Fixed	1,322,355	1,123,365	3.3	41,050	5.4	67,182	(183,521)	7.8	1,074,950	(138,169)
394.0 Tools, Shop & Garage Equip.-Fixed	991,094	116,467	6.3	83,389	7 Yr Amort.	42,727	(48,591)	5.1	83,480	22,294
395.0 Laboratory Equipment - Fixed	622,617	265,601	2.8	37,382	7 Yr Amort.	123,520	96,230	7 Yr Amort.	42,727	(40,591)
396.0 Power Operated Equipment	391,700	282,543	5.9	36,734	7 Yr Amort.	91,002	14,358	7 Yr Amort.	123,520	86,230
397.0 Communication Equipment	13,594,766	1,305,392	3.0	11,781	3.2	12,534	783	7 Yr Amort.	91,002	14,268
Subtotal	80,979,391	29,692,919	4.1	657,355	2.8	1,196,339	638,954	3.3	12,926	1,175
391.1 Office Furniture-Computer	4,791,692	2,600,305		1,923,277	5 Yr Amort.	1,626,277	296,999	9.3	1,264,313	708,928
391.2 Office Furniture-Non Computer	916,053	106,828	5 Yr Amort.	178,799	5 Yr Amort.	1,626,277	0	2,612,929	299,872	
392.0 Marine and Other Equip.	164,399	69,925	5 Yr Amort.	32,880	7 Yr Amort.	178,799	0	5 Yr Amort.	1,626,277	0
394.0 Tools, Shop, & Garage Equip. - Portable	68,689	20,267	7 Yr Amort.	11,516	5 Yr Amort.	32,880	0	7 Yr Amort.	178,799	0
395.0 Laboratory Equipment - Portable	1,391,894	628,476	7 Yr Amort.	192,922	7 Yr Amort.	11,516	0	5 Yr Amort.	32,880	0
397.0 Communication Equipment - Official	1,157,830	438,891	7 Yr Amort.	210,426	7 Yr Amort.	192,922	0	7 Yr Amort.	11,516	0
398.0 Miscellaneous Equipment	2,964,839	875,051	7 Yr Amort.	427,716	7 Yr Amort.	210,426	0	7 Yr Amort.	192,922	0
Subtotal	11,729,836	729,180	7 Yr Amort.	1,689,192	7 Yr Amort.	427,716	0	7 Yr Amort.	210,426	0
Total General Plant	23,997,494	6,398,772		2,778,728		1,689,192	0	7 Yr Amort.	427,716	0
				2,951,096		3,778,728	0		2,778,728	0
TOTAL DISBURSABLE PLANT	9,729,103,690	678,916,699		67,824,990		7,729,379	108,293		7,869,768	309,672
FOSSIL DISMANTLEMENT	0	68,206,446		4,878,921		80,326,106	2,296,196		88,699,020	1,789,000
GRAND TOTAL	1,729,169,936	799,607,351		82,694,871		8,208,628	1,945,718		5,961,322	381,411
				82,694,871		68,449,745	3,843,614		68,381,371	2,746,809

** Restated Reserve by \$3,000

Docket No. 970643-21
Date: June 4, 1998

**GULF POWER COMPANY
1997 STUDY
COMPARISON OF RATES AND COMPONENTS**

ACCOUNT	CURRENT				COMPANY PROPOSAL				STAFF RECOMMENDATION			
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	ESTIMATED RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
STEAM PRODUCTION PLANT												
PLANT DANIEL	25.0	(3.0)	40.40	2.5	26.0	(7.0)	43.69	2.4	26.0	(7.0)	43.52	2.4
PLANT CRIST	23.0	(2.0)	40.89	2.7	17.7	(3.0)	41.08	3.5	17.7	(3.0)	41.19	3.5
PLANT SCHOLE	19.4	0.0	66.62	1.7	13.2	(2.0)	68.92	2.5	13.2	(2.0)	68.87	2.5
PLANT SMITH	21.0	(3.0)	47.20	2.7	16.6	(4.0)	70.81	3.2	16.6	(4.0)	51.23	3.2
PLANT SCHERER	24.0	0.0	21.88	2.3	25.0	(4.0)	30.37	2.1	25.0	(4.0)	30.60	2.1
OTHER DEPRECIABLE STEAM PRODUCTION												
310.0 Plant Daniel Escamets	29.0	0.0	45.77	1.9	24.0	0.0	53.25	1.4	24.0	0.0	53.27	1.4
310.0 Plant Crist Escamets	31.0	0.0	29.72	1.9	21.0	0.0	45.00	1.6	21.0	0.0	47.22	1.5
311.0 Plant Daniel Rail Trucks	23.0	0.0	20.42	1.5	24.0	0.0	26.28	1.3	24.0	0.0	26.42	1.3
316.0 Production Pit Furniture Equip.		5 Year Amortization				5 Year Amortization				5 Year Amortization		
316.0 Production Pit Furniture Equip.		7 Year Amortization				7 Year Amortization				7 Year Amortization		
OTHER PRODUCTION												
Smith Turbine	7.5	0.0	85.00	2.0	8.5	0.0	92.05	0.9	8.5	0.0	93.42	0.8
TRANSMISSION PLANT												
350.0 Escamets	53.0	0.0	24.71	1.2	16.6	0.0	26.58	2.8	26.0	0.0	26.51	2.4
352.0 Structures & Improvements	22.0	(5.0)	18.22	2.8	25.0	(10.0)	22.23	2.5	25.0	(10.0)	22.24	2.3
353.0 Station Equipment	26.0	(5.0)	24.12	2.7	22.0	(10.0)	26.29	2.3	27.0	(10.0)	26.63	2.7
354.0 Towers and Fixtures	19.2	(20.0)	60.43	3.1	20.0	(20.0)	71.27	2.4	20.0	(20.0)	71.15	2.4
355.0 Poles and Fixtures	29.0	(25.0)	21.92	3.6	27.0	(45.0)	23.11	4.1	27.0	(40.0)	21.95	4.0
356.0 Overhead Conduct. & Devices	18.2	(20.0)	51.81	2.7	21.0	(20.0)	66.55	2.8	21.0	(20.0)	59.43	2.8
358.0 Underground Conductors & Devices	25.0	(5.0)	6.52	2.8	21.0	(5.0)	17.71	2.8	21.0	(5.0)	17.71	2.8
359.0 Roads & Trails	24.0	0.0	25.26	1.4	17.0	0.0	20.77	4.1	26.0	0.0	20.97	2.7
DISTRIBUTION PLANT												
361.0 Structures & Improvements	20.0	(5.0)	22.71	2.7	27.0	(10.0)	21.20	2.9	27.0	(10.0)	20.63	2.9
362.0 Station Equipment	29.0	(5.0)	22.62	2.8	27.0	(10.0)	28.02	3.0	27.0	(10.0)	27.70	3.0
364.0 Poles, Towers & Fixtures	24.0	(20.0)	24.97	4.8	24.0	(20.0)	24.47	5.2	24.0	(20.0)	25.68	5.2
365.0 Overhead Conductors	24.0	(10.0)	23.64	3.2	23.0	(10.0)	25.24	3.3	23.0	(10.0)	26.40	3.2
366.0 Underground Conduit	22.0	0.0	27.72	1.9	25.0	0.0	20.25	1.9	26.0	0.0	20.25	1.9
367.0 Underground Conduct. & Devices	20.0	0.0	20.63	3.5	21.0	0.0	28.68	3.4	21.0	0.0	29.49	3.4
368.0 Line Transformers	16.5	(15.0)	24.24	4.9	21.0	(25.0)	26.46	4.2	21.0	(15.0)	27.05	2.7
369.1 Overhead Services	19.4	(20.0)	42.13	4.5	19.6	(5.0)	52.31	3.7	19.6	(15.0)	53.94	3.1
369.2 Underground Services	24.0	(10.0)	15.99	3.8	21.0	(5.0)	27.05	2.7	21.0	(5.0)	26.91	2.7
369.3 Service-House power Buses	10.6	0.0	65.41	3.2	8.4	0.0	72.17	3.2	8.4	0.0	73.25	3.2
370.0 Meters	17.6	(5.0)	43.28	3.4	19.0	(3.0)	27.09	3.5	19.0	(3.0)	45.15	3.0
373.0 Street Lights	11.8	(10.0)	23.08	7.4	10.7	(10.0)	29.52	7.5	10.7	(10.0)	20.46	7.4
SPECIAL PLANT												
390.0 Structures & Improvements	24.0	0.0	22.74	2.2	20.0	0.0	21.70	2.3	20.0	0.0	29.14	2.4
392.1 Transportation Equip.-Automobiles	2.0	20.0	53.08	9.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
392.2 Transportation Equip.-Light Trucks	2.8	20.0	26.78	15.0	3.5	20.0	62.93	4.8	3.5	20.0	63.28	4.8
392.3 Transportation Equip.-Heavy Trucks	7.1	15.0	28.99	7.9	7.2	20.0	20.33	6.9	7.2	20.0	29.49	7.0
392.9 Transportation Equip.-Trailers	17.6	15.0	26.06	3.3	11.8	15.0	21.31	5.4	11.8	15.0	25.24	5.1
393.0 Stores Equipment - Fixed	6.8	0.0	57.27	6.3								
394.0 Tools, Shop & Garage Equip.-Fixed	22.0	0.0	17.28	2.8								
395.0 Laboratory Equipment - Fixed	14.9	0.0	11.58	5.9								
396.0 Power Operated Equipment	9.0	15.0	57.66	3.0	6.3	15.0	64.94	3.2	6.3	15.0	64.47	3.2
397.0 Communication Equipment	18.6	(2.0)	27.54	4.1	10.0	(2.0)	14.50	8.8	10.0	(2.0)	8.87	9.2
391.1 Office Furniture- Computer		5 Year Amortization				5 Year Amortization				5 Year Amortization		
391.2 Office Furniture-Non Computer		7 Year Amortization				7 Year Amortization				7 Year Amortization		
392.0 Marine and Other Equip.		5 Year Amortization				5 Year Amortization				5 Year Amortization		
393.0 Stores Equipment - Portable		7 Year Amortization				7 Year Amortization				7 Year Amortization		
394.0 Tools, Shop, & Garage Equip. - Portable		7 Year Amortization				7 Year Amortization				7 Year Amortization		
395.0 Laboratory Equipment - Portable		7 Year Amortization				7 Year Amortization				7 Year Amortization		
397.0 Communication Equipment - Official		7 Year Amortization				7 Year Amortization				7 Year Amortization		
398.0 Miscellaneous Equipment		7 Year Amortization				7 Year Amortization				7 Year Amortization		

** Restated Reserve by 93,000

Docket No. 970643-EI
Date: June 4, 1998

Attachment B
Pg. 1 of 1

GULF POWER COMPANY
1997 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/98 INVESTMENT	1/1/98 RESERVE	CURRENT		COMPANY PROPOSAL			STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)
STEAM PRODUCTION PLANT										
PLANT DANIEL	205,628,789	89,497,918	2.5	5,140,770	2.4	4,935,091	(205,629)	2.4	4,935,091	(205,629)
PLANT CRIST	384,907,226	158,544,602	2.7	10,392,465	3.5	13,471,753	3,079,258	3.5	13,471,753	3,079,258
PLANT SCHOLZ	28,715,942	19,777,953	1.7	488,171	2.5	717,899	229,728	2.5	717,899	229,728
PLANT SMITH	105,150,825	53,868,085	2.7	2,839,072	3.2	3,364,826	525,754	3.2	3,364,826	525,754
PLANT SCHERER	174,706,662	53,464,928	2.3	4,018,253	2.1	3,668,840	(349,413)	2.1	3,668,840	(349,413)
Subtotal	899,109,443	376,163,587		22,878,711		28,188,409	3,279,699		28,188,409	3,279,699
OTHER DEPRECIABLE STEAM PRODUCTION										
310.0 Plant Daniel Easements	77,163	41,180	1.9	1,466	1.4	1,080	(386)	1.4	1,080	(386)
310.0 Plant Crist Easements	20,378	9,642	1.9	387	2.6	530	143	2.5	509	122
311.0 Plant Daniel Rail Tracks	2,741,618	1,548,736	1.5	41,124	1.3	35,641	(5,483)	1.3	35,641	(5,483)
316.0 Production Pit Furniture Equip.	124,827	85,084	5 Yr Amort.	28,875	5 Yr Amort.	28,875	0	5 Yr Amort.	28,875	0
316.0 Production Pit Furniture Equip.	1,959,942	909,781	7 Yr Amort.	258,415	7 Yr Amort.	258,415	0	7 Yr Amort.	258,415	0
Subtotal	4,823,928	2,592,409		328,267		322,561	(5,706)		322,561	(5,706)
OTHER PRODUCTION										
Smith Turbine	4,251,269	3,971,375	2.0	85,025	0.9	38,261	(46,764)	0.8	34,010	(51,215)
Subtotal	4,251,269	3,971,375		85,025		38,261	(46,764)		34,010	(51,215)
TOTAL PRODUCTION PLANT	908,284,632	391,718,868		23,292,003		29,516,211	3,227,208		29,516,211	3,227,208
TRANSMISSION PLANT										
350.0 Easements	9,527,327	3,478,550	1.2	114,328	3.8	362,038	247,710	2.4	228,656	114,328
352.0 Structures & Improvements	4,095,666	1,361,476	2.8	114,679	2.5	102,392	(12,287)	2.2	90,105	(24,574)
353.0 Station Equipment	55,656,207	20,388,730	2.7	1,507,718	2.3	1,280,093	(227,625)	2.7	1,502,710	0
354.0 Towers and Fixtures	22,203,302	15,798,547	3.1	686,362	2.4	532,879	(153,483)	2.4	532,879	(153,483)
355.0 Poles and Fixtures	30,514,967	9,750,516	3.8	1,098,539	4.1	1,251,114	152,575	4.0	1,220,889	122,080
356.0 Overhead Conduct. & Devices	26,180,202	15,557,990	3.7	968,667	2.8	733,046	(235,621)	2.9	759,226	(209,441)
358.0 Underground Conductors & Devices	13,612,397	2,411,266	2.8	381,147	2.8	381,147	0	2.8	381,147	0
359.0 Roads & Trails	52,176	16,157	1.4	730	4.1	2,139	1,409	2.7	1,409	679
TOTAL TRANSMISSION PLANT	181,642,246	68,762,632		4,859,110		4,614,848	(244,262)		4,718,798	(140,372)
DISTRIBUTION PLANT										
361.0 Structures & Improvements	9,750,564	2,986,197	2.7	263,265	2.9	282,766	19,501	2.9	282,766	19,501
362.0 Station Equipment	98,148,827	27,180,671	2.8	2,748,111	3.0	2,944,405	196,294	3.0	2,944,405	196,294
364.0 Poles, Towers & Fixtures	72,601,123	25,908,519	4.8	3,484,854	5.2	3,775,258	290,404	5.2	3,775,258	290,404
365.0 Overhead Conductors	89,955,617	32,745,610	3.2	2,878,580	3.3	2,968,535	89,955	3.2	2,878,580	0
366.0 Underground Conduit	1,190,038	598,041	1.9	22,611	1.9	22,611	0	1.9	22,611	0
367.0 Underground Conductors & Devices	41,077,464	12,111,971	3.5	1,437,711	3.4	1,396,634	(41,077)	3.4	1,396,634	(41,077)
368.0 Line Transformers	124,322,918	46,068,998	4.9	6,091,823	4.2	5,221,563	(870,260)	3.7	4,599,948	(1,491,875)
369.1 Overhead Services	32,478,100	17,387,275	4.5	1,461,425	2.7	876,855	(584,570)	3.1	1,008,759	(454,666)
369.2 Underground Services	15,521,888	4,176,472	3.8	589,832	3.7	574,310	(15,522)	3.7	574,310	(15,522)
369.3 Service-Housepower Boxes	6,328,376	4,635,347	3.3	208,836	3.2	202,508	(6,328)	3.2	202,508	(6,328)
370.0 Meters	25,469,733	11,500,418	3.4	865,971	3.5	891,441	25,470	3.0	784,082	(101,879)
373.0 Street Lights	29,050,432	8,848,412	7.4	2,149,732	7.5	2,178,782	29,050	7.4	2,149,732	0
TOTAL DISTRIBUTION PLANT	545,891,680	194,162,931		22,202,751		21,336,688	(866,063)		20,597,693	(1,605,148)

GULF POWER COMPANY
1997 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/98 INVESTMENT	1/1/98 RESERVE	CURRENT		COMPANY PROPOSAL			STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	IN EXPENSES (\$)
GENERAL PLANT										
390.0 Structures & Improvements	52,745,754	15,367,563	2.3	1,213,152	2.3	1,213,152	0	2.4	1,265,898	52,748
392.1 Transportation Equip.-Automobiles	0	0	9.0	0	N/A	0	0	N/A	0	0
392.2 Transportation Equip.-Light Trucks	3,823,837	2,419,840	15.4	588,871	4.6	175,897	(412,974)	4.8	183,544	(405,317)
392.3 Transportation Equip.-Heavy Trucks	15,352,142	4,527,222	7.9	1,212,819	6.9	1,058,298	(153,521)	7.0	1,074,650	(138,169)
392.9 Transportation Equip.-Trailers	1,244,116	313,970	3.3	41,056	5.4	67,182	26,126	5.1	63,450	22,384
393.0 Stores Equipment - Fixed	1,322,355	1,023,265	6.3	83,308	7 Yr Amort.	42,727	(40,581)	7 Yr Amort.	42,727	(40,581)
394.0 Tools, Shop & Garage Equip.-Fixed	981,094	116,457	3.8	37,282	7 Yr Amort.	123,520	85,238	7 Yr Amort.	123,520	86,238
395.0 Laboratory Equipment - Fixed	622,617	265,601	5.9	38,734	7 Yr Amort.	51,002	14,268	7 Yr Amort.	51,002	14,268
396.0 Power Operated Equipment	391,700	252,543	3.0	11,751	3.2	12,534	783	3.3	12,926	1,175
397.0 Communication Equipment	13,594,766	1,205,202	4.1	557,385	8.8	1,196,339	638,954	9.3	1,264,313	706,928
Subtotal	96,075,381	28,492,609		3,782,358		3,961,651	199,293		4,662,835	286,672
391.1 Office Furniture- Computer	4,701,883	2,609,305	5 Yr Amort.	1,035,277	5 Yr Amort.	1,035,277	0	5 Yr Amort.	1,035,277	0
391.2 Office Furniture -Non Computer	916,053	106,928	7 Yr Amort.	178,799	7 Yr Amort.	178,799	0	7 Yr Amort.	178,799	0
392.0 Marine and Other Equip.	164,399	69,926	6 Yr Amort.	32,880	5 Yr Amort.	32,880	0	5 Yr Amort.	32,880	0
393.0 Stores Equipment - Portable	69,589	20,057	7 Yr Amort.	11,516	7 Yr Amort.	11,516	0	7 Yr Amort.	11,516	0
394.0 Tools, Shop, & Garage Equip. - Portable	1,301,994	528,478	7 Yr Amort.	192,922	7 Yr Amort.	192,922	0	7 Yr Amort.	192,922	0
395.0 Laboratory Equipment - Portable	1,157,820	438,851	7 Yr Amort.	210,426	7 Yr Amort.	210,426	0	7 Yr Amort.	210,426	0
397.0 Communication Equipment - Official	2,968,839	875,051	7 Yr Amort.	427,716	7 Yr Amort.	427,716	0	7 Yr Amort.	427,716	0
398.0 Miscellaneous Equipment	11,728,836	739,180	7 Yr Amort.	1,689,192	7 Yr Amort.	1,689,192	0	7 Yr Amort.	1,689,192	0
Subtotal	23,607,456	5,385,775		3,778,728		3,778,728	0		3,778,728	0
Total General Plant	119,682,837	33,878,384		7,561,086		7,740,379	199,293		8,441,563	286,672
TOTAL DEPRECIABLE PLANT	1,729,193,836	675,810,908		97,824,958		69,329,388	2,295,156		69,698,038	1,789,888
FOSSIL DISMANTLEMENT	0	58,284,448		4,679,924		5,328,838	1,548,718		5,861,332	381,411
GRAND TOTAL	1,729,193,836	734,095,356		62,504,882		69,658,226	3,843,874		65,559,371	2,171,300

** Restated Reserve by \$3,000

Docket No. 970643-EI
Date: June 4, 1998

Attachment C
Pg. 2 of 2