

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 1, 1998

RE: DOCKET NO. 971660-EI - 1997 depreciation study by Florida Power & Light Company.

Issue 1: Should the depreciation rates approved for preliminary implementation be revised?

Recommendation: Yes. At the June 16, 1998 Agenda, and by Order No. PSC-98-0901-PCO-EI, preliminary implementation of depreciation rates, capital recovery schedules, and amortization schedules were ordered. Preliminarily implemented expenses were to be trued up upon final action by this Commission. Staff has completed its review of the company's study and this is its recommendation for final action.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



 Susan Clark





REMARKS/DISSENTING COMMENTS:

Chairman Johnson participated in the conference via teleconference. She agreed with dissented from the majority vote and will sign the vote sheet upon return to Tallahassee.

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13572 DEC-3 98
FPSC-RECORDS/REPORTING

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Issue 2: What should be the implementation date for the recommended rates and recovery/amortization schedules?

Recommendation: Staff recommends approval of the company's proposed January 1, 1998 date of implementation for the new depreciation rates and recovery/amortization schedules.

APPROVED

Issue 3: Should any reserve allocations be made?

Recommendation: Yes. Staff recommends the reserve allocations shown on Attachment A, pages 11-20 of its November 19, 1998 memorandum, to correct the quantified reserve deficiencies. These allocations relate to the additional depreciation and nuclear amortization expense recorded in accord with Order No. PSC-96-0461-FOF-EI, issued April 2, 1996, the accumulated reserve adjustments attributable to interest synchronization related to investment tax credits (ITCs) recorded in accord with Order No. 16257, issued June 19, 1986, and the additional depreciation expense recorded in accord with Order No. PSC-98-0027-FOF-EI, issued January 5, 1998.

APPROVED

Disposition of the \$90 million in nuclear amortization accumulated through 1998 pursuant to order PSC-96-0461-FOF-EI is deferred.

Issue 4: What are the appropriate depreciation rates and recovery/amortization schedules?

Recommendation: The staff recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B, pages 21-30 of staff's memorandum. Attachment C, pages 31-41, shows the estimated resultant annual expenses of about \$679 million, based on actual January 1, 1998 investments. This represents a decrease of about \$2 million as compared to the effect from rates preliminarily ordered. Expenses should be tried up accordingly. For information, the preliminary implementation resulted in an annual increase in expense of about \$25.5 million.

APPROVED

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Issue 5: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

Recommendation: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending December 31, 1998.

APPROVED

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.

APPROVED