

**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

October 24, 2000

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

001608-EI

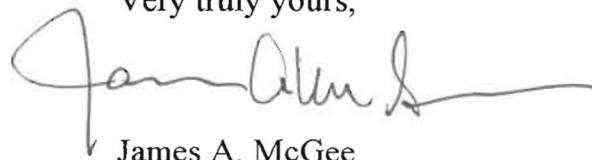
Re: Petition of Florida Power Corporation for approval
of depreciation rates for new plant subaccounts.

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power Corporation are an original and fifteen copies of the subject petition.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

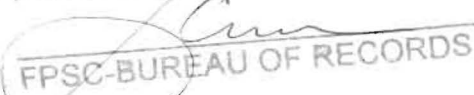


James A. McGee

JAM/kbd
Enclosure

cc: Ms. Patricia Lee

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

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A Florida Progress Company

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power Corporation for approval of depreciation rates for new plant subaccounts.

Docket No. 001608-ET

Submitted for filing:
October 25, 2000

PETITION

Florida Power Corporation (Florida Power or the Company), pursuant to Rule 25-6.0436, F.A.C., hereby petitions the Commission for approval of depreciation rates applicable to property recorded in newly established plant subaccounts under the Uniform System of Accounts for three combustion turbine generating units scheduled for commercial operation in December, 2000. In support of its petition, Florida Power states as follows:

1. Commission Rule 25-6.0436(3)(a), F.A.C., requires that utilities maintain depreciation rates and accumulated depreciation reserves in accounts or subaccount prescribed in Rule 25-6.014(1), F.A.C. (i.e., the FERC Uniform System of Accounts). Paragraph (3)(b) of the rule further provides that:

Upon establishing a new account or subaccount classification, each utility shall request Commission approval of a depreciation rate for the new plant category.

2. Florida Power has established new subaccount classifications within FERC Accounts 340 through 346, *Other Production*, to record its investment in

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three 95 MW (winter) combustion turbine (peaking) units under construction at the Company's existing Intercession City plant site and scheduled to be placed in service by December, 2000. (A copy of the approved work order for the peaking unit project is attached hereto as Exhibit A.) Therefore, in accordance with the above quoted rule provision, this petition seeks Commission approval of depreciation rates for the property recorded in these new plant subaccounts.

3. Based on the operating life cycle and average service life of other comparable peaking units, an average service life for the new units is estimated to be 30 years, with a negative net salvage value of 10%. This produces an annual depreciation rate of 3.7%. An estimate of dismantlement costs associated with the units will be provided when the Company next updates its Fossil Dismantlement cost study.

4. In accordance with Rule 25-6.0436(5), F.A.C.,¹ Florida Power also seeks interim approval, pending the Commission's final decision, to implement the proposed depreciation rates effective upon the date certified by the Company that the peaking units have been placed in commercial operation.

¹ Subsection (5) of Rule 25-6.0436 provides as follows:

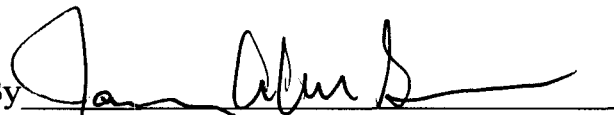
"At the request of the utility and upon Commission approval by order establishing an effective date, the utility may reflect on its books and records the implementation of the proposed rates, subject to adjustment when final depreciation rates are approved."

WHEREFORE, Florida Power Corporation requests that the Commission prescribe depreciation rates applicable to the property recorded in the new plant subaccounts as set forth above. The Company further requests that the Commission approve, effective with the in-service date(s) of the new peaking units, implementation of the proposed depreciation rates on an interim basis, subject to adjustment when final depreciation rates are approved.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By



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