

AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

ORIGINAL
RECEIVED-FPSC
01 MAY -3 PM 12:36
RECORDS AND
REPORTING

May 3, 2001

HAND DELIVERED

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

010668-EI

Re: Petition of Tampa Electric Company for Approval of a Recovery Schedule for Three Generating Units Effective January 1, 2001

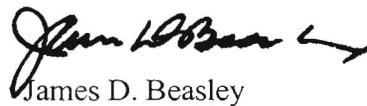
Dear Ms. Bayo:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Tampa Electric Company's Petition for Approval of a Recovery Schedule for Three Generating Units Effective January 1, 2001.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
05623 MAY-3 01
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for approval of a recovery schedule for three)
generating units effective January 1, 2001.)
_____)

DOCKET NO.
FILED: May 3, 2001

**PETITION OF TAMPA ELECTRIC COMPANY FOR
APPROVAL OF A RECOVERY SCHEDULE FOR THREE
GENERATING UNITS EFFECTIVE JANUARY 1, 2001**

Tampa Electric Company (“Tampa Electric” or “the company”) files its Petition for Approval of a Recovery Schedule for Three Generating Units Effective January 1, 2001, and says:

- 1. The name and address of the company are as follows:

Tampa Electric Company
702 N. Franklin Street
Post Office Box 111
Tampa, FL 33601-0111

- 2. The name and address of the persons authorized to receive notices and communications for Tampa Electric with respect to this Petition are:

Angela Llewellyn, Administrator
Regulatory Affairs
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601-0111

Lee L. Willis
James D. Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302

- 3. Tampa Electric plans to accelerate the retirement date of three generating assets. Hookers Point Station, previously scheduled to be retired on December 31, 2003, will now be retired effective December 31, 2002. In addition, the company plans to accelerate the retirement of the combustion turbine peaking generator at Gannon Station with a new retirement date of

April 1, 2001. Finally, Tampa Electric plans to retire its Dinner Lake generating plant on December 31, 2002.

4. To ensure Tampa Electric's Ten-Year Site Plan and the company's books and records accurately reflect operating conditions and generation planning considerations, Tampa Electric needs to make certain adjustments to its depreciation recovery schedule regarding the three generating units. Hookers Point Station was assumed to retire on December 31, 2003, but will now retire by December 31, 2002. The company determined in early 2001 that the Gannon Station combustion turbine unit was to be retired on April 1, 2001 when it no longer was operational. The company's books and records have been accounting for depreciation and dismantlement expenses as if the assumed retirement date were January 1, 2010. Finally, the proposed Dinner Lake generating facility had depreciation rates in place whereby the unit would be retired at January 1, 2007. The company has determined that the unit will be retired as of December 31, 2002.

5. Rule 25-6.0436(10)(a), Florida Administrative Code, provides:

Prior to the date of retirement of major installations, the Commission may approve capital recovery schedules to correct associated calculated deficiencies where a utility demonstrates that (1) replacement of an installation or group of installations is prudent and (2) the associated investment will not be recovered by the time of retirement through the normal depreciation process.

Tampa Electric proposes a recovery schedule to commence on January 1, 2001 and end on December 31, 2001 to for its Gannon Station combustion turbine unit to match the accelerated retirement of the unit. Furthermore, Tampa Electric proposes a recovery schedule to commence on January 1, 2001 and end on December 31, 2002 (two year amortization) for its Hookers Point and Dinner Lake stations to match the assets depreciation with the accelerated retirement for the generating assets. The remaining investment in these assets will be amortized in the same

manner as the retiring coal assets at Gannon Station, previously approved by Staff. See Attachment "A".

6. Tampa Electric does not propose to change its dismantlement plan as the result of its proposed changes to its depreciation recovery schedule. The company currently does not have a modified dismantlement plan for Hookers Point and Dinner Lake stations. The Gannon Station combustion turbine will be dismantled in 2001 however the cost impact is expected to be immaterial. Accordingly, the company proposes to make all necessary dismantlement adjustments in its next dismantlement plan.

7. Tampa Electric is not aware of any disputed issues of material fact relating to the matters proposed herein.

WHEREFORE, Tampa Electric, in accordance with Rule 25-6.0436(10)(a) requests that recovery schedules be approved to commence on January 1, 2001 and to end on December 31, 2001 for its Gannon Station combustion turbine and to end on December 31, 2002 (two year amortization) to increase depreciation to match the assets depreciation with the accelerated retirement date for the generating assets in question. The company further requests, in accordance with Rule 25-6.0436(5), the entry of an order establishing an affective date of January 1, 2001 for the company to reflect on its books and records and the interim implementation of the proposed recovery schedule, subject to adjustment when the recovery schedule is approved.

DATED this 3rd day of May 2001.

Respectfully submitted,



LLE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

h:\data\jdb\tec\depreciation petition.doc

TAMPA ELECTRIC COMPANY
ATTACHMENT "A"
DEPRECIATION RATE REVIEW

TAMPA ELECTRIC COMPANY
2001 Depreciation Rate Review
Comparison of Rates and Components

- Current Rates - Effective 1/1/01 -

-----Company Proposed - Effective 1/1/01 -----

-----Remaining Life-----

-----Total Plant-----

Account Number	Account Title	Average	Future	Composite	Average	Average	Actual	Future	Depre-
		Remaining	Net				Age		
		Life	Salvage	Rate	Age	Life	12/00	Salvage	Rate
		(yrs)	(%)	(%)	(yrs)	(yrs)	(%)	(%)	(%)
<u>STEAM PRODUCTION</u>									
<u>HOOKERS POINT STATION</u>									
311600	COMMON	4.3	0	1.9	n/a	n/a	n/a	n/a	n/a
312600	COMMON	4.4	0	1.8	n/a	n/a	n/a	n/a	n/a
314600	COMMON	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
315600	COMMON	4.4	0	1.8	n/a	n/a	n/a	n/a	n/a
316600	COMMON	3.4	(4)	3.5	n/a	n/a	n/a	n/a	n/a
311610	UNIT No. 1	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
312610	UNIT No. 1	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
314610	UNIT No. 1	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
315610	UNIT No. 1	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
316610	UNIT No. 1	4.4	0	1.8	n/a	n/a	n/a	n/a	n/a
311620	UNIT No. 2 & 3	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
312620	UNIT No. 2 & 3	4.3	(1)	2.1	n/a	n/a	n/a	n/a	n/a
314620	UNIT No. 2 & 3	3.8	0	2.1	n/a	n/a	n/a	n/a	n/a
315620	UNIT No. 2 & 3	4.5	0	1.8	n/a	n/a	n/a	n/a	n/a
316620	UNIT No. 2 & 3	4.4	0	1.8	n/a	n/a	n/a	n/a	n/a
311640	UNIT No. 4	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
312640	UNIT No. 4	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
314640	UNIT No. 4	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
315640	UNIT No. 4	3.9	0	2.1	n/a	n/a	n/a	n/a	n/a
316640	UNIT No. 4	3.4	(1)	2.7	n/a	n/a	n/a	n/a	n/a
311650	UNIT No. 5	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
312650	UNIT No. 5	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
314650	UNIT No. 5	3.7	0	2.2	n/a	n/a	n/a	n/a	n/a
315650	UNIT No. 5	4.0	0	2.0	n/a	n/a	n/a	n/a	n/a
316650	UNIT No. 5	4.5	(1)	2.0	n/a	n/a	n/a	n/a	n/a
311110	DINNER LAKE STATION	6.3	(6)	2.8	n/a	n/a	n/a	n/a	n/a
312110	DINNER LAKE STATION	6.3	(6)	1.2	n/a	n/a	n/a	n/a	n/a
314110	DINNER LAKE STATION	6.4	(3)	1.2	n/a	n/a	n/a	n/a	n/a
315110	DINNER LAKE STATION	6.2	(2)	1.5	n/a	n/a	n/a	n/a	n/a
316110	DINNER LAKE STATION	6.3	(6)	1.7	n/a	n/a	n/a	n/a	n/a

TAMPA ELECTRIC COMPANY
2001 Depreciation Rate Review - Change in Annual Accruals

Account Number	Account Title	Total Plant 12/00 (\$)	Accumulated Depreciation 12/00 (\$)	Depre- ciation Rate (%)	Accrual on Total Plant (\$)	Depre- ciation Rate (%)	----- Current Rates -----		----- Company Proposed -----	
							Effective 1/1/99	Effective 1/1/01	Effective 1/1/99	Effective 1/1/01
							----- Remaining Life -----			
								Annual Accrual (\$)	Change in Annual Accruals (\$)	
STEAM PRODUCTION										
HOOKERS POINT STATION										
311600	COMMON	3,924,916.52	3,717,315.52	1.9	74,573	n/a		103,801	29,228	
312600	COMMON	4,388,806.95	4,149,654.40	1.8	78,999	n/a		119,576	40,577	
314600	COMMON	840,321.21	803,046.03	1.8	15,126	n/a		18,638	3,512	
315600	COMMON	2,357,186.73	2,243,475.21	1.8	42,429	n/a		56,856	14,427	
316600	COMMON	1,559,756.97	1,412,263.95	3.5	54,591	n/a		73,747	19,156	
311610	UNIT No. 1	1,120,752.51	1,071,037.97	1.8	20,174	n/a		24,857	4,683	
312610	UNIT No. 1	3,267,079.75	3,120,853.32	1.8	58,807	n/a		73,113	14,306	
314610	UNIT No. 1	2,343,385.68	2,239,436.96	1.8	42,181	n/a		51,974	9,793	
315610	UNIT No. 1	727,745.48	689,348.97	1.8	13,099	n/a		19,198	6,099	
316610	UNIT No. 1	81,995.70	78,358.80	1.8	1,476	n/a		1,818	342	
311620	UNIT No. 2 & 3	817,057.35	780,814.00	1.8	14,707	n/a		18,122	3,415	
312620	UNIT No. 2 & 3	6,044,666.33	5,749,636.96	2.1	126,938	n/a		147,515	20,577	
314620	UNIT No. 2 & 3	4,272,212.87	4,105,163.58	2.1	89,716	n/a		83,525	(6,191)	
315620	UNIT No. 2 & 3	1,112,133.71	991,007.26	1.8	20,018	n/a		60,563	40,545	
316620	UNIT No. 2 & 3	50,048.77	43,705.61	1.8	901	n/a		3,172	2,271	
311640	UNIT No. 4	852,842.87	818,423.68	2.0	17,057	n/a		17,210	153	
312640	UNIT No. 4	2,479,980.20	2,319,911.85	2.0	49,600	n/a		80,034	30,434	
314640	UNIT No. 4	3,686,170.27	3,164,908.83	2.0	73,723	n/a		260,631	186,908	
315640	UNIT No. 4	743,360.77	702,771.61	2.1	15,611	n/a		20,295	4,684	
316640	UNIT No. 4	43,353.65	42,210.76	2.7	1,171	n/a		571	(600)	
311650	UNIT No. 5	1,236,219.52	1,186,327.69	2.0	24,724	n/a		24,946	222	
312650	UNIT No. 5	5,880,524.09	5,300,268.06	2.0	117,610	n/a		290,128	172,518	
314650	UNIT No. 5	4,648,307.13	4,479,305.08	2.2	102,263	n/a		84,501	(17,762)	
315650	UNIT No. 5	1,143,728.91	1,081,842.90	2.0	22,875	n/a		30,943	8,068	
316650	UNIT No. 5	48,227.90	46,282.13	2.0	965	n/a		973	8	
311110	DINNER LAKE STATION	631,359.20	573,736.59	2.8	17,678	n/a		28,811	11,133	
312110	DINNER LAKE STATION	1,465,723.79	1,480,755.96	1.2	17,589	n/a		(7,516)	(25,105)	
314110	DINNER LAKE STATION	1,111,908.88	1,073,975.10	1.2	13,343	n/a		18,967	5,624	
315110	DINNER LAKE STATION	378,863.13	355,896.47	1.5	5,683	n/a		11,483	5,800	
316110	DINNER LAKE STATION	33,395.93	32,324.29	1.7	568	n/a		536	(32)	
TOTAL STEAM PRODUCTION		57,292,032.77	53,854,059.54	2.0	1,134,195.00	3.0		1,718,986.62	584,791.62	

TAMPA ELECTRIC COMPANY
 1999 Depreciation Rate Review
 Comparison of Rates and Components

- Current Rates - Effective 1/1/96 -

-----Company Proposed - Effective 1/1/99 -----

-----Remaining Life-----

-----Total Plant-----

Account Number	Account Title	Average Remaining Life (yrs)	Future Net Salvage (%)	Composite Rate (%)	Actual				
					Average Age (yrs)	Average Remaining Life (yrs)	A/D Ratio 12/98 (%)	Future Net Salvage (%)	Depre- ciation Rate (%)

OTHER PRODUCTION

GANNON STATION

341510	COMBUSTION TURBINE No. 1	9.4	(1)	2.5	n/a	n/a	n/a	n/a	n/a
342510	COMBUSTION TURBINE No. 1	6.0	(3)	2.1	n/a	n/a	n/a	n/a	n/a
344510	COMBUSTION TURBINE No. 1	6.4	(1)	1.3	n/a	n/a	n/a	n/a	n/a
345510	COMBUSTION TURBINE No. 1	6.6	(1)	1.7	n/a	n/a	n/a	n/a	n/a
346510	COMBUSTION TURBINE No. 1	0.0	0	0.0	n/a	n/a	n/a	n/a	n/a

TAMPA ELECTRIC COMPANY
1999 Depreciation Rate Review - Change in Annual Accruals

Account Number	Account Title	Total Plant 12/98 (\$)	Accumulated Depreciation 12/98 (\$)	Depreciation Rate (%)	Accrual on Total Plant (\$)	----- Current Rates -----	----- Company Proposed -----	Change in Annual Accruals (\$)
						----- Effective 1/1/96 -----	----- Effective 1/1/99 -----	
OTHER PRODUCTION								
GANNON STATION								
341510	COMBUSTION TURBINE No. 1	75,361.92	62,032.97	2.5	1,884	n/a	13,329	11,445
342510	COMBUSTION TURBINE No. 1	132,325.00	125,101.04	2.1	2,779	n/a	7,224	4,445
344510	COMBUSTION TURBINE No. 1	1,323,725.91	1,262,367.50	1.3	17,208	n/a	61,358	44,150
345510	COMBUSTION TURBINE No. 1	333,781.32	306,490.82	1.7	5,674	n/a	27,291	21,617
346510	COMBUSTION TURBINE No. 1	0.00	0.00	0.0	0	0.0	0	0
TOTAL OTHER PRODUCTION		1,865,194.15	1,755,992.33	1.5	27,545.00	5.9	109,201.82	81,666.82
TOTAL PRODUCTION PLANT		59,157,226.92	55,610,051.87	2.0	1,161,740.00	3.1	1,828,188.44	666,448.44