

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2011  
depreciation study and annual dismantlement  
accrual amounts by Tampa Electric Company.

DOCKET NO. 110131-EI  
ORDER NO. PSC-12-0175-PAA-EI  
ISSUED: April 3, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
EDUARDO E. BALBIS  
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING DEPRECIATION RATES AND  
DISMANTLEMENT ACCRUALS FOR 2011

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

Rule 25-6.0436(8)(a) and 25-6.04364(3), F.A.C., require investor-owned utilities to file a comprehensive depreciation study and site-specific dismantlement study for each fossil-fueled generating site at least once every four years from the submission date of the previously filed study. On April 27, 2011, Tampa Electric Company (Tampa Electric or Company) filed its regular depreciation and dismantlement studies in compliance with this rule. We have jurisdiction pursuant to Sections 350.115 and 366.05, Florida Statutes (F.S.).

DECISION

A review of the Company's plans and activities indicates a need for revision to the currently prescribed depreciation rates and provision for dismantlement. Tampa Electric's last comprehensive depreciation study was filed on April 27, 2007. By Order No. PSC-08-0014-PAA-EI,<sup>1</sup> we approved revised depreciation rates and provision for dismantlement, effective

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<sup>1</sup> Order No. PSC-08-0014-PAA-EI, issued January 4, 2008, in Docket No. 070284-EI, In re: Petition for approval of 2007 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

January 1, 2007. Since that time activity data indicates the need to revise the depreciation rates and dismantlement accrual as discussed in the remainder of this order.

#### IMPLEMENTATION DATE

Tampa Electric has proposed the date of January 1, 2012 as the implementation date for revised depreciation rates and provision for dismantlement. Rule 25-6.0436(6)(b), F.A.C., requires that the data submitted in a depreciation study, including plant and reserve balances or company estimates, “[S]hall be brought to the effective date of the proposed rates.” The supporting data and calculations provided by Tampa Electric and reviewed by this Commission match an implementation date of January 1, 2012. Accordingly we hereby approve Tampa Electric’s proposed implementation date and order that January 1, 2012 serve as the effective date for utilizing the revised rates, amortizations, and dismantlement accruals.

#### DEPRECIATION RATES

This Order is the result of a comprehensive review of Tampa Electric’s study. As part of this review, Commission staff issued data requests and participated in an informal meeting with the Company. As a result of the review and analytical process, Commission staff and Tampa Electric now agree on lives, net salvages, and the resulting depreciation rates for all accounts. Attachment A contains the appropriate depreciation rates as hereby approved by this Commission as well as a comparison of current rates and components to the new rates and components.

#### Production Plant

Tampa Electric has five generating stations: Big Bend, Bayside, Polk, Phillips, and City of Tampa (also known as the Partnership Station). The stations, each comprised of two or more units, include coal-fired steam, combined cycle, combustion turbine, an integrated gasification combined cycle, and internal combustion diesel units.

Phillips Station has been on long-term standby since September 2009. The Station’s two units are in operable condition but have not been used because of the higher cost of fuel (#6 oil) required to operate the units as compared to natural gas and coal. As of December 31, 2011, the units were fully recovered. Tampa Electric does not expect to add any investment to the Phillips units; however, the Company agrees that in the event assets are added, depreciation rate(s) should be applied to those assets. Tampa Electric proposes that previously approved rates be used if assets are added in the future. We agree with and approve this proposal. Furthermore, if investment is added to the Phillips Station, previously approved depreciation rates, as contained in Order No. PSC-08-0014-PAA-EI,<sup>2</sup> shall be applied until the next depreciation study.

Both subsections (5)(a) and (5)(c) of Rule 25-6.04361, F.A.C. (stratification rule), require that each production plant account be stratified “in accord with . . . [its] potential life patterns.”

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<sup>2</sup> Order No. PSC-08-0014-PAA-EI, issued January 4, 2008, in Docket No. 070284-EI, In re: Petition for approval of 2007 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

Stratifying components of plant investment into categories that, on average, have expected lives of about the same number of years, enables recovery provisions to be more closely matched to the life characteristics of the investment categories used to generate electric power. The Company's stratification life categories are long, medium, and short. As part of its review for this depreciation study, Tampa Electric reviewed the life categories, and moved \$76 million from the long category to the medium and short categories for the Big Bend Station.

Subsequent to the 2007 study, Tampa Electric added four Selective Catalytic Reduction (SCR) units to Big Bend Units 1-4. The SCR investment was added to existing accounts within the Big Bend units. As part of the current study, the Company stratified the SCR investment contained in property records in accord with the stratification rule. Similar to prior treatment of the Flue Gas Desulfurization (FGD) units associated with the Big Bend Station, Tampa Electric proposes to transfer the SCR investment and accumulated depreciation to newly created accounts. Costs associated with SCR units are recovered through the Environmental Cost Recovery Clause (ECRC). Transferring the SCR units to new accounts would be consistent with the separation of the FGD units, would permit a more accurate determination of the true age and other parameters, and would also prevent mixing these assets with non-ECRC assets. As a result, we find that the Big Bend SCR investments and associated accumulated depreciation shall be transferred to separate accounts.

According to Tampa Electric's 2011 Ten-Year Site Plan, filed on April 1, 2011, Schedule 9, combustion turbine units have been proposed with in-service dates between 2013-2014, prior to the due date of the next depreciation study. The Company's preference is to wait until a generating unit is approved and under construction before depreciation rates are established. We agree with the Company's preference; therefore, Tampa Electric shall file a petition for approval to initiate depreciation prior to the in-service date of any proposed units.

### General Plant

Our staff reviewed the information pertinent to Tampa Electric's general plant accounts in its study, and the Company's responses to staff data requests. The Company agreed with staff's proposed depreciation parameters for each of the depreciable accounts listed below. The Company and staff are also in agreement with the amortization term for each of the amortizable accounts listed below. Based on this information, we approve the resulting depreciation rates as shown in Attachment A.

### Depreciable Accounts

Account 390.00 – Structures and Improvements  
Account 397.25 – Communication Equipment-Fiber  
Account 392.02 – Light Trucks-Energy Delivery  
Account 392.03 – Heavy Trucks-Energy Delivery  
Account 392.04 – Medium Trucks-Energy Delivery  
Account 392.12 – Light Trucks-Energy Supply  
Account 392.13 – Heavy Trucks-Energy Supply

Account 392.14 – Medium Trucks-Energy Supply

Amortizable Accounts

Account 391.01 – Office Furniture Equipment  
Account 391.02 – Computer Equipment-Work Stations  
Account 391.03 – Data Handling Equipment  
Account 391.04 – Computer Equipment-Mainframe  
Account 393.00 – Stores Equipment  
Account 394.00 – Tool/Shop Equipment  
Account 395.00 – Laboratory Equipment  
Account 396.00 – Power Operated Equipment  
Account 397.00 – Communication Equipment  
Account 398.00 – Miscellaneous Equipment

Reserve Transfers

As part of its review of Tampa Electric's depreciation study, we reviewed the book reserve position for each account. Based on life and salvage inputs for this study, we have determined the Company's theoretical or calculated reserve. The difference between an account's book and theoretical reserve may be described as a positive or negative imbalance, or as a surplus or deficiency. When negative or positive imbalances occur, corrective transfers among accounts shall be made as quickly as possible, unless this action prevents the Company from earning a fair and reasonable return on its investments.

For electric utilities such as Tampa Electric, corrective reserve transfers ideally are made within each function (e.g., production or transmission) but not between functions. Jurisdictional separations, purchased power agreements, or other lease arrangements may be affected by reserve transfers between functions. For example, customers may purchase transmission service under the Company's Federal Energy Regulatory Commission (FERC)-regulated Open Access Transmission Tariff. A reserve transfer to or from the transmission function may have a cost or benefit on the cost basis of the rate.

As part of its depreciation study (and following guidance from staff in prior studies), Tampa Electric proposed reserve transfers. The reserve transfers include the Company's proposal to transfer an amount sufficient to bring the remaining negative reserve balance of (\$188,820) for the previously-retired Gannon Station to zero. Upon review of Tampa Electric's proposed reserve transfers as well as its explanations as provided in response to Commission staff's data requests, we approve the Company's proposed reserve transfers, which are contained in the table below.

## Approved Reserve Transfers\*

| Account<br>Number | Account Title | Est. Book<br>Reserve | Theoretical     | Reserve          | Restated        |
|-------------------|---------------|----------------------|-----------------|------------------|-----------------|
|                   |               | 12/31/2011<br>(\$)   | Reserve<br>(\$) | Transfer<br>(\$) | Reserve<br>(\$) |

**BIG BEND STATION**

|       |           |            |            |             |            |
|-------|-----------|------------|------------|-------------|------------|
| 31140 | BB Common | 28,432,986 | 35,787,252 | 2,196,441   | 30,629,427 |
| 31240 | BB Common | 34,542,332 | 36,351,796 | (5,090,445) | 29,451,887 |
| 31440 | BB Common | 1,166,507  | 2,065,618  | 899,111     | 2,065,618  |
| 31540 | BB Common | 12,696,727 | 10,882,223 | (1,814,504) | 10,882,223 |
| 31640 | BB Common | 3,468,178  | 3,332,278  | (135,900)   | 3,332,278  |
|       | Subtotal  | 80,306,730 | 88,419,167 |             | 76,361,433 |

|       |               |            |            |             |            |
|-------|---------------|------------|------------|-------------|------------|
| 31141 | BB Unit No. 1 | 5,309,202  | 4,536,435  | (772,767)   | 4,536,435  |
| 31241 | BB Unit No. 1 | 26,106,422 | 38,330,500 | 5,037,662   | 31,144,084 |
| 31441 | BB Unit No. 1 | 13,999,304 | 15,717,627 | (994,149)   | 13,005,155 |
| 31541 | BB Unit No. 1 | 7,354,010  | 6,334,917  | (1,019,093) | 6,334,917  |
| 31641 | BB Unit No. 1 | 504,547    | 510,345    | 5,798       | 510,345    |
|       | Subtotal      | 53,273,484 | 65,429,824 |             | 55,530,935 |

|       |               |            |            |            |            |
|-------|---------------|------------|------------|------------|------------|
| 31142 | BB Unit No. 2 | 4,647,553  | 4,128,797  | (518,756)  | 4,128,797  |
| 31242 | BB Unit No. 2 | 5,359,106  | 28,510,153 | 17,087,554 | 22,446,660 |
| 31442 | BB Unit No. 2 | 1,442,099  | 11,958,481 | 7,869,324  | 9,311,423  |
| 31542 | BB Unit No. 2 | 5,959,494  | 5,592,260  | (367,234)  | 5,592,260  |
| 31642 | BB Unit No. 2 | 445,491    | 340,771    | (104,720)  | 340,771    |
|       | Subtotal      | 17,853,743 | 50,530,462 |            | 41,819,911 |

|       |               |            |            |             |            |
|-------|---------------|------------|------------|-------------|------------|
| 31143 | BB Unit No. 3 | 10,357,791 | 8,497,884  | (1,859,907) | 8,497,884  |
| 31243 | BB Unit No. 3 | 43,725,058 | 56,426,263 | 4,370,891   | 48,095,949 |
| 31443 | BB Unit No. 3 | 22,363,389 | 19,638,180 | (5,232,556) | 17,130,833 |
| 31543 | BB Unit No. 3 | 12,523,469 | 12,660,571 | 137,102     | 12,660,571 |
| 31643 | BB Unit No. 3 | 635,566    | 595,657    | (39,909)    | 595,657    |
|       | Subtotal      | 89,605,274 | 97,818,555 |             | 86,980,895 |

|       |               |             |             |              |             |
|-------|---------------|-------------|-------------|--------------|-------------|
| 31144 | BB Unit No. 4 | 28,166,921  | 27,092,074  | (1,074,847)  | 27,092,074  |
| 31244 | BB Unit No. 4 | 117,029,074 | 118,510,814 | (15,394,491) | 101,634,583 |
| 31444 | BB Unit No. 4 | 46,616,005  | 42,520,245  | (10,855,983) | 35,760,022  |
| 31544 | BB Unit No. 4 | 21,855,666  | 21,780,062  | (75,604)     | 21,780,062  |
| 31644 | BB Unit No. 4 | 3,821,314   | 2,852,667   | (968,647)    | 2,852,667   |
|       | Subtotal      | 217,488,980 | 212,755,862 |              | 189,119,408 |

| Account Number | Account Title          | Est. Book Reserve | Theoretical | Reserve     | Restated   |
|----------------|------------------------|-------------------|-------------|-------------|------------|
|                |                        | 12/31/2011        | Reserve     | Transfer    | Reserve    |
|                |                        | (\$)              | (\$)        | (\$)        | (\$)       |
| 31146          | No. 1 & 2 FGD System   | 5,401,672         | 4,620,199   | (781,473)   | 4,620,199  |
| 31246          | No. 1 & 2 FGD System   | 24,701,585        | 22,720,358  | (1,981,227) | 22,720,358 |
| 31546          | No. 1 & 2 FGD System   | 4,215,526         | 3,658,094   | (557,432)   | 3,658,094  |
| 31646          | No. 1 & 2 FGD System   | 790,007           | 611,361     | (178,646)   | 611,361    |
| Subtotal       |                        | 35,108,791        | 31,610,012  |             | 31,610,013 |
| 31145          | No. 3 & 4 FGD System   | 11,781,764        | 9,841,485   | (1,940,279) | 9,841,485  |
| 31245          | No. 3 & 4 FGD System   | 71,245,730        | 73,301,149  | 2,055,419   | 73,301,149 |
| 31545          | No. 3 & 4 FGD System   | 12,065,715        | 11,537,510  | (528,205)   | 11,537,510 |
| 31645          | No. 3 & 4 FGD System   | 407,380           | 588,866     | 181,486     | 588,866    |
| Subtotal       |                        | 95,500,590        | 95,269,010  |             | 95,269,011 |
| 31151          | No. 1 SCR System       | 518,727           | 1,374,658   | 855,931     | 1,374,658  |
| 31251          | No. 1 SCR System       | 1,546,002         | 2,974,633   | 1,428,631   | 2,974,633  |
| 31551          | No. 1 SCR System       | 350,412           | 1,090,377   | 739,965     | 1,090,377  |
| 31651          | No. 1 SCR System       | 10,176            | 50,887      | 40,711      | 50,887     |
| Subtotal       |                        | 2,425,317         | 5,490,555   |             | 5,490,555  |
| 31152          | No. 2 SCR System       | 808,825           | 2,206,663   | 1,397,838   | 2,206,663  |
| 31252          | No. 2 SCR System       | 3,767,623         | 4,972,788   | 1,205,165   | 4,972,788  |
| 31552          | No. 2 SCR System       | 797,834           | 1,648,354   | 850,520     | 1,648,354  |
| 31652          | No. 2 SCR System       | 38,446            | 87,780      | 49,334      | 87,780     |
| Subtotal       |                        | 5,412,728         | 8,915,585   |             | 8,915,585  |
| 31153          | No. 3 SCR System       | 575,871           | 2,348,848   | 1,772,977   | 2,348,848  |
| 31253          | No. 3 SCR System       | 5,075,387         | 5,710,290   | 634,903     | 5,710,290  |
| 31553          | No. 3 SCR System       | 684,552           | 1,905,197   | 1,220,645   | 1,905,197  |
| 31653          | No. 3 SCR System       | 44,544            | 99,029      | 54,485      | 99,029     |
| Subtotal       |                        | 6,380,354         | 10,063,364  |             | 10,063,364 |
| 31154          | No. 4 SCR System       | 4,323,697         | 1,828,439   | (2,495,258) | 1,828,439  |
| 31254          | No. 4 SCR System       | 1,639,810         | 5,567,306   | 3,927,496   | 5,567,306  |
| 31554          | No. 4 SCR System       | 446,976           | 1,875,963   | 1,428,987   | 1,875,963  |
| 31654          | No. 4 SCR System       | 23,400            | 100,978     | 77,578      | 100,978    |
| Subtotal       |                        | 6,433,883         | 9,372,686   |             | 9,372,686  |
| 31100-01       | Misc. Structures &     |                   |             |             |            |
| 31617          | Equipment              | 735               | 0           | (735)       | 0          |
| 31617          | Misc. Production Plant | 1,848             | 0           | (1,848)     | 0          |
| Subtotal       |                        | 2,583             | 0           |             | 0          |

| Account Number | Account Title | Est. Book Reserve | Theoretical | Reserve  | Restated |
|----------------|---------------|-------------------|-------------|----------|----------|
|                |               | 12/31/2011        | Reserve     | Transfer | Reserve  |
|                |               | (\$)              | (\$)        | (\$)     | (\$)     |

**BIG BEND STATION**

|       |             |          |   |          |   |
|-------|-------------|----------|---|----------|---|
| 34141 | BB CT No. 1 | 24,234   | 0 | (24,234) | 0 |
| 34241 | BB CT No. 1 | (17,613) | 0 | 17,613   | 0 |
| 34541 | BB CT No. 1 | (19,617) | 0 | 19,617   | 0 |
|       | Subtotal    | (12,997) | 0 |          | 0 |

|       |                 |   |  |     |   |
|-------|-----------------|---|--|-----|---|
| 34342 | BB CT No. 2 & 3 | 6 |  | (6) | 0 |
|-------|-----------------|---|--|-----|---|

|       |             |           |           |           |           |
|-------|-------------|-----------|-----------|-----------|-----------|
| 34144 | BB CT No. 4 | 702,316   | 449,446   | (252,870) | 449,446   |
| 34244 | BB CT No. 4 | 289,189   | 262,283   | (26,906)  | 262,283   |
| 34344 | BB CT No. 4 | 2,520,074 | 2,540,309 | 20,235    | 2,540,309 |
| 34544 | BB CT No. 4 | 619,690   | 635,517   | 15,827    | 635,517   |
|       | Subtotal    | 4,131,268 | 3,887,555 |           | 3,887,555 |

**GANNON POWER STATION**

|       |           |           |   |         |   |
|-------|-----------|-----------|---|---------|---|
| 31130 | GN Common | 820       | 0 | (820)   | 0 |
| 31630 | GN Common | (189,641) | 0 | 189,641 | 0 |
|       | Subtotal  | (188,820) | 0 |         | 0 |

**BAYSIDE POWER STATION**

|       |           |            |            |           |            |
|-------|-----------|------------|------------|-----------|------------|
| 34130 | BP Common | 19,410,090 | 19,226,341 | (183,749) | 19,226,341 |
| 34230 | BP Common | 4,356,416  | 4,229,021  | (127,395) | 4,229,021  |
| 34330 | BP Common | 3,889,515  | 4,315,066  | 425,551   | 4,315,066  |
| 34530 | BP Common | 5,021,122  | 4,635,113  | (386,009) | 4,635,113  |
| 34630 | BP Common | 3,690,494  | 3,082,149  | (608,345) | 3,082,149  |
|       | Subtotal  | 36,367,637 | 35,487,690 |           | 35,487,690 |

|       |               |            |            |             |            |
|-------|---------------|------------|------------|-------------|------------|
| 34131 | BP Unit No. 1 | 6,426,778  | 5,298,564  | (1,128,214) | 5,298,564  |
| 34231 | BP Unit No. 1 | 17,865,696 | 16,603,948 | (1,261,748) | 16,603,948 |
| 34331 | BP Unit No. 1 | 36,292,565 | 49,253,573 | 11,388,644  | 47,681,209 |
| 34531 | BP Unit No. 1 | 10,162,797 | 9,426,226  | (736,571)   | 9,426,226  |
| 34631 | BP Unit No. 1 | 425,842    | 345,765    | (80,077)    | 345,765    |
|       | Subtotal      | 71,173,678 | 80,928,076 |             | 79,355,713 |

|       |               |            |            |             |            |
|-------|---------------|------------|------------|-------------|------------|
| 34132 | BP Unit No. 2 | 6,755,133  | 5,387,343  | (1,367,790) | 5,387,343  |
| 34232 | BP Unit No. 2 | 21,860,035 | 20,337,261 | (1,522,774) | 20,337,261 |
| 34332 | BP Unit No. 2 | 58,968,877 | 64,228,847 | 3,687,607   | 62,656,484 |
| 34532 | BP Unit No. 2 | 10,536,214 | 10,025,303 | (510,911)   | 10,025,303 |
| 34632 | BP Unit No. 2 | 484,576    | 378,867    | (105,709)   | 378,867    |

| Account Number | Account Title | Est. Book Reserve | Theoretical | Reserve  | Restated   |
|----------------|---------------|-------------------|-------------|----------|------------|
|                |               | 12/31/2011        | Reserve     | Transfer | Reserve    |
|                |               | (\$)              | (\$)        | (\$)     | (\$)       |
| Subtotal       |               | 98,604,834        | 100,357,621 |          | 98,785,258 |

|          |             |           |           |           |           |
|----------|-------------|-----------|-----------|-----------|-----------|
| 34133    | BP CT No. 3 | 471,016   | 289,917   | (181,099) | 289,917   |
| 34233    | BP CT No. 3 | 193,948   | 169,187   | (24,761)  | 169,187   |
| 34333    | BP CT No. 3 | 1,690,117 | 1,638,637 | (51,480)  | 1,638,637 |
| 34533    | BP CT No. 3 | 415,603   | 409,943   | (5,660)   | 409,943   |
| 34633    | BP CT No. 3 | -         | -         |           | 0         |
| Subtotal |             | 2,770,684 | 2,507,684 |           | 2,507,684 |

|          |             |           |           |           |           |
|----------|-------------|-----------|-----------|-----------|-----------|
| 34134    | BP CT No. 4 | 470,398   | 289,406   | (180,992) | 289,406   |
| 34234    | BP CT No. 4 | 193,693   | 168,888   | (24,805)  | 168,888   |
| 34334    | BP CT No. 4 | 1,687,900 | 1,635,747 | (52,153)  | 1,635,747 |
| 34534    | BP CT No. 4 | 415,057   | 409,220   | (5,837)   | 409,220   |
| 34634    | BP CT No. 4 | -         | -         | -         | 0         |
| Subtotal |             | 2,767,050 | 2,503,261 |           | 2,503,261 |

|          |             |           |           |           |           |
|----------|-------------|-----------|-----------|-----------|-----------|
| 34135    | BP CT No. 5 | 772,525   | 435,586   | (336,939) | 435,586   |
| 34235    | BP CT No. 5 | 318,099   | 254,194   | (63,905)  | 254,194   |
| 34335    | BP CT No. 5 | 2,772,002 | 2,461,969 | (310,033) | 2,461,969 |
| 34535    | BP CT No. 5 | 681,640   | 615,918   | (65,722)  | 615,918   |
| 34635    | BP CT No. 5 | -         | -         |           | 0         |
| Subtotal |             | 4,544,265 | 3,767,667 |           | 3,767,667 |

|          |             |           |           |           |           |
|----------|-------------|-----------|-----------|-----------|-----------|
| 34136    | BP CT No. 6 | 771,266   | 434,474   | (336,792) | 434,474   |
| 34236    | BP CT No. 6 | 317,580   | 253,546   | (64,034)  | 253,546   |
| 34336    | BP CT No. 6 | 2,767,483 | 2,455,685 | (311,798) | 2,455,685 |
| 34536    | BP CT No. 6 | 680,529   | 614,346   | (66,183)  | 614,346   |
| Subtotal |             | 4,536,858 | 3,758,051 |           | 3,758,051 |

**POLK POWER STATION**

|          |           |            |            |             |            |
|----------|-----------|------------|------------|-------------|------------|
| 34180    | PK Common | 23,293,332 | 20,486,027 | (2,807,305) | 20,486,027 |
| 34280    | PK Common | (370,739)  | 379,222    | 79,961      | 379,222    |
| 34380    | PK Common | 1,069,822  | 728,757    | (341,065)   | 728,757    |
| 34580    | PK Common | 771,721    | 623,367    | (148,354)   | 623,367    |
| 34680    | PK Common | 378,302    | 264,417    | (113,885)   | 264,417    |
| Subtotal |           | 25,142,438 | 22,481,790 |             | 22,481,790 |

|       |               |            |            |             |            |
|-------|---------------|------------|------------|-------------|------------|
| 34181 | PK Unit No. 1 | 13,225,774 | 16,403,857 | 3,178,083   | 16,403,857 |
| 34281 | PK Unit No. 1 | 90,510,864 | 98,812,652 | 8,301,788   | 98,812,652 |
| 34381 | PK Unit No. 1 | 67,325,264 | 63,041,342 | (4,283,922) | 63,041,342 |



| Account Number | Account Title | Est. Book Reserve | Theoretical | Reserve     | Restated    |
|----------------|---------------|-------------------|-------------|-------------|-------------|
|                |               | 12/31/2011        | Reserve     | Transfer    | Reserve     |
|                |               | (\$)              | (\$)        | (\$)        | (\$)        |
| 34581          | PK Unit No. 1 | 28,817,984        | 27,265,514  | (1,552,470) | 27,265,514  |
| 34681          | PK Unit No. 1 | 809,555           | 1,950,500   | 1,140,945   | 1,950,500   |
| Subtotal       |               | 200,689,440       | 207,473,865 |             | 207,473,865 |

|          |             |            |            |             |            |
|----------|-------------|------------|------------|-------------|------------|
| 34182    | PK CT No. 2 | 641,905    | 637,076    | (4,829)     | 637,076    |
| 34282    | PK CT No. 2 | 373,587    | 351,801    | (21,786)    | 351,801    |
| 34382    | PK CT No. 2 | 17,042,239 | 11,320,450 | (5,721,789) | 11,320,450 |
| 34582    | PK CT No. 2 | 5,358,503  | 5,116,539  | (241,964)   | 5,116,539  |
| 34682    | PK CT No. 2 | 55,427     | 69,247     | 13,820      | 69,247     |
| Subtotal |             | 23,471,661 | 17,495,113 |             | 17,495,113 |

|          |             |            |            |             |            |
|----------|-------------|------------|------------|-------------|------------|
| 34183    | PK CT No. 3 | 2,441,939  | 2,480,212  | 38,273      | 2,480,212  |
| 34283    | PK CT No. 3 | 354,555    | 312,846    | (41,709)    | 312,846    |
| 34383    | PK CT No. 3 | 13,361,019 | 12,188,420 | (1,172,599) | 12,188,420 |
| 34583    | PK CT No. 3 | 2,824,472  | 2,460,335  | (364,137)   | 2,460,335  |
| 34683    | PK CT No. 3 | 103,754    | 120,923    | 17,169      | 120,923    |
| Subtotal |             | 19,085,738 | 17,562,736 |             | 17,562,736 |

|          |             |           |           |           |           |
|----------|-------------|-----------|-----------|-----------|-----------|
| 34184    | PK CT No. 4 | 851,109   | 613,520   | (237,589) | 613,520   |
| 34284    | PK CT No. 4 | 330,923   | 323,677   | (7,246)   | 323,677   |
| 34384    | PK CT No. 4 | 4,412,722 | 3,708,797 | (703,925) | 3,708,797 |
| 34584    | PK CT No. 4 | 792,130   | 879,039   | 86,909    | 879,039   |
| 34684    | PK CT No. 4 | -         | -         |           | 0         |
| Subtotal |             | 6,386,884 | 5,525,033 |           | 5,525,033 |

|          |             |           |           |             |           |
|----------|-------------|-----------|-----------|-------------|-----------|
| 34185    | PK CT No. 5 | 804,165   | 614,687   | (189,478)   | 614,687   |
| 34285    | PK CT No. 5 | 293,460   | 310,743   | 17,283      | 310,743   |
| 34385    | PK CT No. 5 | 4,729,415 | 3,598,809 | (1,130,606) | 3,598,809 |
| 34585    | PK CT No. 5 | 729,644   | 869,753   | 140,109     | 869,753   |
| Subtotal |             | 6,556,684 | 5,393,992 |             | 5,393,992 |

**PHILLIPS STATION**

|          |                  |            |            |           |            |
|----------|------------------|------------|------------|-----------|------------|
| 34128    | Phillips Station | 9,749,048  | 9,481,580  | (267,468) | 9,481,580  |
| 34228    | Phillips Station | 24,236,280 | 23,435,863 | (800,417) | 23,435,863 |
| 34328    | Phillips Station | 20,389,207 | 20,870,850 | 481,643   | 20,870,850 |
| 34528    | Phillips Station | 6,135,666  | 5,887,394  | (248,272) | 5,887,394  |
| 34628    | Phillips Station | 652,860    | 653,047    | 187       | 653,047    |
| Subtotal |                  | 61,163,062 | 60,328,734 |           | 60,328,734 |

| Account Number | Account Title | Est. Book Reserve | Theoretical | Reserve  | Restated |
|----------------|---------------|-------------------|-------------|----------|----------|
|                |               | 12/31/2011        | Reserve     | Transfer | Reserve  |
|                |               | (\$)              | (\$)        | (\$)     | (\$)     |

**CITY OF TAMPA**

|       |                           |           |           |         |           |
|-------|---------------------------|-----------|-----------|---------|-----------|
| 34390 | City of Tampa Partnership | 3,078,315 | 3,213,208 | 134,893 | 3,213,208 |
|-------|---------------------------|-----------|-----------|---------|-----------|

**TRANSMISSION PLANT**

|        |                                    |             |             |             |             |
|--------|------------------------------------|-------------|-------------|-------------|-------------|
| 350.01 | Land Rights                        | 3,820,280   | 3,062,299   | (757,981)   | 3,062,299   |
| 352.00 | Structures and Improvements        | 903,661     | 934,371     | 30,710      | 934,371     |
| 353.00 | Station Equipment                  | 62,847,628  | 54,597,688  | (1,989,142) | 60,858,486  |
| 354.00 | Towers and Fixtures                | 4,102,868   | 3,897,132   | (205,736)   | 3,897,132   |
| 355.00 | Poles and Fixtures                 | 54,854,738  | 54,541,601  | 5,941,229   | 60,795,967  |
| 356.00 | Overhead Conductors and Devices    | 41,803,663  | 35,529,481  | (2,199,963) | 39,603,700  |
| 356.01 | Clearing Rights-of-Way             | 1,357,575   | 1,273,702   | (83,873)    | 1,273,702   |
| 357.00 | Underground Conduit                | 1,582,840   | 1,037,219   | (545,621)   | 1,037,219   |
| 358.00 | Underground Conductors and Devices | 2,820,057   | 2,750,599   | (69,458)    | 2,750,599   |
| 359.00 | Roads and Trails                   | 1,536,521   | 1,416,356   | (120,165)   | 1,416,356   |
|        | Subtotal                           | 175,629,831 | 159,040,488 |             | 175,629,831 |

**DISTRIBUTION PLANT**

|        |                                    |             |             |              |             |
|--------|------------------------------------|-------------|-------------|--------------|-------------|
| 361.00 | Structures and Improvements        | 716,694     | 525,917     | (190,777)    | 525,917     |
| 362.00 | Station Equipment                  | 58,138,630  | 48,491,797  | (7,994,546)  | 50,144,084  |
| 364.00 | Poles, Towers and Fixtures         | 119,335,706 | 130,352,836 | 15,458,713   | 134,794,419 |
| 365.00 | Overhead Conductors and Devices    | 123,078,354 | 97,435,636  | (22,322,741) | 100,755,613 |
| 366.00 | Underground Conduit                | 44,907,604  | 39,602,221  | (5,305,383)  | 39,602,221  |
| 367.00 | Underground Conductors and Devices | 63,213,480  | 55,248,177  | (7,965,303)  | 55,248,177  |
| 368.00 | Line Transformers                  | 170,818,745 | 195,549,515 | 31,393,835   | 202,212,580 |
| 369.00 | Overhead Services                  | 30,915,369  | 40,907,590  | 9,992,221    | 40,907,590  |
| 369.02 | Underground Services               | 49,409,082  | 39,405,420  | (10,003,662) | 39,405,420  |
| 370.00 | Meters                             | 10,100,327  | 27,668,066  | 17,567,739   | 27,668,066  |
| 373.00 | Street Lighting and Signal Systems | 90,023,120  | 67,106,469  | (20,630,096) | 69,393,024  |
|        | Subtotal                           | 760,657,111 | 742,293,644 |              | 760,657,111 |

**TRANSPORTATION EQUIPMENT - Energy Delivery**

|        |              |            |            |             |            |
|--------|--------------|------------|------------|-------------|------------|
| 392.02 | Light Trucks | 4,407,885  | 2,795,151  | (1,132,840) | 3,275,045  |
| 392.03 | Heavy Trucks | 11,867,168 | 11,059,194 | 907,499     | 12,774,667 |

| Account Number | Account Title | Est. Book Reserve | Theoretical | Reserve  | Restated   |
|----------------|---------------|-------------------|-------------|----------|------------|
|                |               | 12/31/2011        | Reserve     | Transfer | Reserve    |
|                |               | (\$)              | (\$)        | (\$)     | (\$)       |
| 392.04         | Medium Trucks | 580,269           | 444,031     | (52,482) | 527,787    |
| Subtotal       |               | 16,855,322        | 14,298,376  |          | 16,577,499 |

**TRANSPORTATION EQUIPMENT - Energy Supply**

|          |               |         |           |         |           |
|----------|---------------|---------|-----------|---------|-----------|
| 392.12   | Light Trucks  | 586,798 | 610,954   | 163,816 | 750,614   |
| 392.13   | Heavy Trucks  | 386,017 | 333,052   | (4,080) | 381,937   |
| 392.14   | Medium Trucks | 4,900   | 105,343   | 118,087 | 122,987   |
| Subtotal |               | 977,715 | 1,049,349 |         | 1,255,538 |

\*Some numbers may not total exactly because of rounding.

Depreciation Expense

The depreciation rates approved in this order result in an increase to depreciation expense of \$4,246,075.<sup>3</sup> The primary driver of the increased depreciation expense is the Big Bend Station. Generating units are studied on a life span basis, whereby the overall unit retires at one time (final retirement), although there will be interim additions and retirements throughout the years of operation of the unit. In an investment account, the timing of additions and retirements plays a role in determining how fast the account ages. The age of an account helps to determine the remaining life of the account, which directly translates into the depreciation rate. When investment is added to a generating unit (such as an SCR unit), the average service life of the investment is directly tied to the remaining life of the generating unit. This means that if investment with a 30-year average service life is added to a unit with 25 years remaining, then the investment will have an average service life no longer than 25 years. This shortens the time period for the recovery of the investment. According to Public Utilities Depreciation Practices,

A general characteristic of property studied using the life span method is the gradual increase in the depreciation rate as the property ages. Plant additions subsequent to the initial placement usually exceed the interim retirements, even though the additions may replace plant retired, because they are made at a higher cost than the plant retired. The result is a shorter average service life of the life span property.<sup>4</sup>

Factors that contribute to the overall increase in expense include the general characteristics of lifespan property, the shorter lifespans of the SCR units, the proposed transfers

<sup>3</sup> The effect of the dismantlement provision provides for an overall proposed increase in expense of \$4,095,183, as shown in Attachment B.

<sup>4</sup> National Association of Regulatory Utility Commissioners (NARUC), Public Utility Depreciation Practices, 142 (1996).

of the SCR units to separate accounts, and the impacts of the units' operating history (e.g., retirements and additions).

### Conclusion

In conclusion, we hereby approve the depreciation rates as contained in Attachment A. Furthermore, if investment is added to the Phillips Station, previously approved depreciation rates, as contained in Order No. PSC-08-0014-PAA-EI, shall be applied until the next depreciation study. We hereby order that the Big Bend SCR investments and associated accumulated depreciation be transferred to separate accounts. We further order that Tampa Electric shall file a petition for approval to initiate depreciation prior to the in-service date of any proposed units.

### DISMANTLEMENT ACCRUAL

We established the methodology for accruing the costs for dismantlement of fossil-fueled production plants by Order No. 24741.<sup>5</sup> The methodology, codified in Rule 25-6.04364, F.A.C., is dependent on three factors: estimated base costs for dismantlement, projected inflation, and a contingency factor. Investor-owned electric utilities are required to file site-specific dismantlement studies at least once every four years from the submission date of the previous study unless otherwise required by this Commission.

Dismantlement accruals are based on current cost estimates, escalated to future costs as of the estimated date of dismantlement. The future costs, less accumulated dismantlement reserves, are discounted over the remaining life of each plant and plant site. The contingency factor is designed to cover uncertainty in the dismantlement cost estimates. The factor is comprised of pricing and scope of omission contingencies. The pricing contingency provides a level of confidence that the estimates are reasonable. The scope omission contingency acknowledges the conceptual nature of the base cost estimates and the difficulty in obtaining quantity and weight records. Rule 25-6.04364, F.A.C., defines the contingency costs as a specific provision for unforeseeable elements of cost within the defined project scope. Tampa Electric has proposed increasing its currently approved contingency factor from 10 percent to 15 percent. We note that a contingency factor of 15 percent is within the range approved by this Commission for other electric utilities.<sup>6</sup> We will, however, continue to monitor the reasonableness of the Company's contingency factor in its subsequent dismantlement studies.

Tampa Electric retained Burns & McDonnell (BMcD) to conduct its 2011 dismantlement study. The plants included in this study are natural gas, fuel oil, and coal-fired generating facilities. The study provides a total cost estimate to dismantle each of the aforementioned facilities at the end of its useful life.

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<sup>5</sup> Order No. 24741, issued July 1, 1991, in Docket No. 890186-EI, In re: Investigation of the Ratemaking and Accounting Treatment for the Dismantlement of Fossil-Fueled Generating Stations.

<sup>6</sup> Order No. PSC-10-0153-FOF-EI, issued March 17, 2010, in Docket No. 090130-EI, In re: 2009 depreciation and dismantlement study by Florida Power & Light Company, and Order No. PSC-10-0458-PAA-EI, issued July 19, 2010, in Docket No. 090319-EI, In re: Depreciation and dismantlement study at December 31, 2009, by Gulf Power Company.

Tampa Electric's currently approved annual accrual for fossil fuel dismantlement is \$1,336,986. In its 2011 study, the Company is requesting a decrease in its annual accrual to \$1,117,920. However, when the Company's study is updated to reflect the November 2011 inflation forecast, this accrual increases slightly to \$1,186,094. The net decrease comes as the total cost to dismantle Tampa Electric's fossil fleet has increased. However, this base cost increase has been partially offset by two significant factors. First, the value for scrap metals has increased substantially since the Company's 2007 study. Second, the current study reflects a decreased inflation forecast. The differences in dismantlement base cost estimates (net of scrap metal values) between Tampa Electric's current and last study are presented in the table below.

| FOSSIL PLANT DISMANTLEMENT COST ESTIMATES |                     |                     |
|---|---------------------|---------------------|
| Account                                   | 2007 Study          | 2011 Study          |
| Bayside Power Station                     | \$5,380,794         | \$7,506,000         |
| Big Bend Power Station                    | \$33,442,738        | \$58,809,000        |
| City of Tampa                             | \$236,357           | \$204,050           |
| Gannon Power Station                      | \$33,364,614        | \$18,596,550        |
| Phillips Station                          | \$1,420,392         | \$2,082,400         |
| Polk Power Station                        | \$6,006,282         | \$37,600            |
| <b>Total</b>                              | <b>\$79,851,177</b> | <b>\$87,235,600</b> |

The inflation factors as of November 2011 used to derive the proposed annual accrual are lower than the September 2007 inflation factors that were used to arrive at the currently approved annual accrual.

Tampa Electric has proposed a series of reserve transfers among the accounts of its dismantlement reserve. These transfers are presented on Attachment D. We have reviewed the transfer proposals and they are hereby approved.

We approve a total annual provision for fossil fuel dismantlement of \$1,186,094, as shown on Attachment C. This represents a decrease in the current annual provision for fossil fuel dismantlement of \$150,892. This accrual reflects current estimates of dismantlement costs on a site-specific basis using a November 2011 inflation forecast and a 15 percent contingency factor.

#### INVESTMENT TAX CREDITS

Our revision of depreciation rates, which are effective as of January 1, 2012, will result in and reflect changes to most accounts' remaining lives. Revising a utility's book depreciation lives generally results in a change in its rate of Investment Tax Credit (ITC) amortization and flowback of EDITs in order to comply with the normalization requirements of the Internal Revenue Code (IRC or Code) as set forth in sections 168(f)(2) and (i)(9), IRC sections 167(l)

and 46(f),<sup>7</sup> Federal Tax Regulations under the Code sections,<sup>8</sup> and section 203(e) of the Tax Reform Act of 1986 (the Act).<sup>9</sup>

Our staff, the Internal Revenue Service (IRS), and independent outside auditors look at a company's books and records, and the orders and rules of the jurisdictional regulatory authorities to determine if the books and records are maintained in the appropriate manner. The books are also reviewed to determine if they are in compliance with the regulatory guidelines in regard to normalization. Therefore, we order the current amortization of ITCs and the flow back of EDITs be revised to reflect the remaining useful lives that underlie our approved depreciation rates.

Section 46(f)(6) of the Code states that "the amortization of ITC should be determined by the period of time actually used in computing depreciation expense for ratemaking purposes and on the regulated books of the utility."<sup>10</sup> Since our order results in changes to remaining lives, it is also important to change the amortization of ITCs to avoid violation of the provisions of IRC section 46 and its underlying Treasury Regulations. The consequence of an ITC normalization violation is a repayment of unamortized ITC balances to the IRS.

Section 203(e) of the 1986 Act prohibits rapid flow back of depreciation-related (protected) EDITs to the utility's customers. Further, Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109, generally prohibits EDITs from being written off any faster than allowed under the Act. The Act, ASC 740,<sup>11</sup> and Rule 25-14.013, F.A.C, regulate the flowback of EDITs. Therefore, the flowback of EDITs shall be adjusted to comply with the Act, ASC 740, and Rule 25-14.013, F.A.C.

Therefore, the current amortization of ITCs and the flowback of EDITs shall be revised to match the actual recovery periods for the related property. The Company shall file detailed calculations of the revised ITC amortization and flowback of EDITs at the same time it files its surveillance report covering the period ending December 31, 2012.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the depreciation rates as contained in Attachment A are hereby approved, effective January 1, 2012. It is further

ORDERED that the Big Bend SCR investments and associated accumulated depreciation be transferred to separate accounts. It is further

ORDERED that Tampa Electric shall file a petition for approval to initiate depreciation prior to the in-service date of any proposed units. It is further

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<sup>7</sup> 26 USC §§168(f)(2) and (i)(9); 26 USC §167(l); 26 USC §46(f).

<sup>8</sup> Treas. Reg. §1.168; Treas. Reg. §1.167; Treas. Reg. §1.46.

<sup>9</sup> Tax Reform Act of 1986, 1986-3 (Vol.1) C.B. 63, P.L. 99-514 (100 Stat. 2146) October 22, 1986.

<sup>10</sup> 26 USC §46(f)(6).

<sup>11</sup> FASB ASC 740 (Topic 740 of the Financial Accounting Standards Board Accounting Standards Codification). Cross Reference: Accounting for Income Taxes, Statement of Financial Accounting Standards No. 109 (Financial Accounting Standards Board, 1992).

ORDERED that a total annual provision for fossil fuel dismantlement of \$1,186,094, as shown on Attachment C is hereby approved. It is further

ORDERED that the current amortization of ITCs and the flowback of EDITs shall be revised to match the actual recovery periods for the related property. It is further

ORDERED that the Company shall file detailed calculations of the revised ITC amortization and flowback of EDITs at the same time it files its surveillance report covering the period ending December 31, 2012. It is further

ORDERED that all Attachments appended hereto are incorporated herein by reference. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed upon the issuance of a consummating order.

By ORDER of the Florida Public Service Commission this 3rd day of April, 2012.

/s/ Ann Cole

ANN COLE

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 24, 2012.



**Comparison of Rates and Components**

| Account Number | Account Title | Current                      |                        |                         | Commission Approved**        |             |                        |                         |
|----------------|---------------|------------------------------|------------------------|-------------------------|------------------------------|-------------|------------------------|-------------------------|
|                |               | Average Remaining Life (yrs) | Future Net Salvage (%) | Remaining Life Rate (%) | Average Remaining Life (yrs) | Reserve (%) | Future Net Salvage (%) | Remaining Life Rate (%) |

**BIG BEND STATION**

|       |           |      |      |     |
|-------|-----------|------|------|-----|
| 31140 | BB Common | 33.0 | (5)  | 2.0 |
| 31240 | BB Common | 28.0 | (11) | 2.6 |
| 31440 | BB Common | 35.0 | (8)  | 1.8 |
| 31540 | BB Common | 14.0 | (7)  | 3.0 |
| 31640 | BB Common | 17.1 | (10) | 3.1 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 31.0 | 16.58 | * | (5) | 2.9 |
| 22.0 | 34.09 | * | (8) | 3.4 |
| 33.0 | 29.26 | * | (6) | 2.3 |
| 15.4 | 49.63 | * | (6) | 3.7 |
| 17.4 | 35.14 | * | (8) | 4.2 |

|       |               |      |     |     |
|-------|---------------|------|-----|-----|
| 31141 | BB Unit No. 1 | 27.0 | (2) | 1.4 |
| 31241 | BB Unit No. 1 | 23.0 | (7) | 3.3 |
| 31441 | BB Unit No. 1 | 23.0 | (6) | 2.5 |
| 31541 | BB Unit No. 1 | 16.7 | (8) | 2.5 |
| 31641 | BB Unit No. 1 | 26.0 | (2) | 1.2 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 21.0 | 58.12 | * | (1) | 2.0 |
| 19.2 | 28.11 | * | (4) | 4.0 |
| 18.3 | 39.15 | * | (4) | 3.5 |
| 18.2 | 39.18 | * | (3) | 3.5 |
| 18.0 | 49.10 | * | (2) | 2.9 |

|       |               |      |      |     |
|-------|---------------|------|------|-----|
| 31142 | BB Unit No. 2 | 30.0 | (2)  | 1.6 |
| 31242 | BB Unit No. 2 | 25.0 | (9)  | 3.1 |
| 31442 | BB Unit No. 2 | 24.0 | (8)  | 2.6 |
| 31542 | BB Unit No. 2 | 18.7 | (8)  | 2.5 |
| 31642 | BB Unit No. 2 | 21.0 | (14) | 2.0 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 24.0 | 51.99 | * | (1) | 2.0 |
| 22.0 | 24.12 | * | (5) | 3.7 |
| 22.0 | 20.27 | * | (4) | 3.8 |
| 19.7 | 40.95 | * | (5) | 3.3 |
| 19.2 | 50.10 | * | (8) | 3.0 |

|       |               |      |     |     |
|-------|---------------|------|-----|-----|
| 31143 | BB Unit No. 3 | 32.0 | (1) | 1.2 |
| 31243 | BB Unit No. 3 | 24.0 | (9) | 2.6 |
| 31443 | BB Unit No. 3 | 18.4 | (9) | 1.8 |
| 31543 | BB Unit No. 3 | 16.2 | (7) | 2.5 |
| 31643 | BB Unit No. 3 | 27.0 | (6) | 2.7 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 25.0 | 55.87 | * | (1) | 1.8 |
| 20.0 | 35.33 | * | (6) | 3.5 |
| 19.7 | 41.07 | * | (5) | 3.2 |
| 14.5 | 53.64 | * | (6) | 3.6 |
| 21.0 | 41.91 | * | (4) | 3.0 |

|       |               |      |      |     |
|-------|---------------|------|------|-----|
| 31144 | BB Unit No. 4 | 40.0 | (1)  | 1.4 |
| 31244 | BB Unit No. 4 | 26.0 | (10) | 2.4 |
| 31444 | BB Unit No. 4 | 28.0 | (9)  | 2.0 |
| 31544 | BB Unit No. 4 | 23.0 | (6)  | 2.1 |
| 31644 | BB Unit No. 4 | 25.0 | (5)  | 1.7 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 33.0 | 43.52 | * | (2) | 1.8 |
| 22.0 | 42.20 | * | (8) | 3.0 |
| 25.0 | 37.32 | * | (7) | 2.8 |
| 18.2 | 48.57 | * | (7) | 3.2 |
| 22.0 | 48.97 | * | (5) | 2.5 |

| Comparison of Rates and Components |                            |                        |                    |                     |                        |         |                    |                     |      |  |
|------------------------------------|----------------------------|------------------------|--------------------|---------------------|------------------------|---------|--------------------|---------------------|------|--|
| Account Number                     | Account Title              | Current                |                    |                     | Commission Approved**  |         |                    |                     |      |  |
|                                    |                            | Average Remaining Life | Future Net Salvage | Remaining Life Rate | Average Remaining Life | Reserve | Future Net Salvage | Remaining Life Rate |      |  |
|                                    |                            | (yrs)                  | (%)                | (%)                 | (yrs)                  | (%)     | (%)                | (%)                 |      |  |
| 31146                              | No. 1 & 2 FGD System       | 28.0                   | (3)                | 2.6                 | 23.0                   | 36.37   | *                  | (4)                 | 2.9  |  |
| 31246                              | No. 1 & 2 FGD System       | 27.0                   | (6)                | 2.9                 | 21.0                   | 36.62   | *                  | (5)                 | 3.3  |  |
| 31546                              | No. 1 & 2 FGD System       | 22.0                   | (6)                | 3.3                 | 18.6                   | 40.17   | *                  | (5)                 | 3.5  |  |
| 31646                              | No. 1 & 2 FGD System       | 29.0                   | (5)                | 2.5                 | 24.0                   | 34.35   | *                  | (4)                 | 2.9  |  |
| 31145                              | No. 3 & 4 FGD System       | 37.0                   | (2)                | 1.5                 | 30.0                   | 44.06   | *                  | (3)                 | 2.0  |  |
| 31245                              | No. 3 & 4 FGD System       | 29.0                   | (9)                | 2.3                 | 24.0                   | 46.30   | *                  | (7)                 | 2.5  |  |
| 31545                              | No. 3 & 4 FGD System       | 25.0                   | (7)                | 2.1                 | 18.3                   | 49.82   | *                  | (7)                 | 3.1  |  |
| 31645                              | No. 3 & 4 FGD System       | 30.0                   | (5)                | 2.0                 | 10.4                   | 78.30   | *                  | (12)                | 3.2  |  |
| 31151                              | No. 1 SCR System           |                        | (5)                | 2.1                 | 23.0                   | 6.07    | *                  | 0                   | 4.1  |  |
| 31251                              | No. 1 SCR System           |                        | (11)               | 2.6                 | 22.0                   | 6.57    | *                  | (2)                 | 4.3  |  |
| 31551                              | No. 1 SCR System           |                        | (7)                | 3.0                 | 20.0                   | 7.22    | *                  | (4)                 | 4.8  |  |
| 31651                              | No. 1 SCR System           |                        | (10)               | 3.1                 | 23.0                   | 6.07    | *                  | (1)                 | 4.1  |  |
| 31152                              | No. 2 SCR System           |                        | (2)                | 1.4                 | 26.0                   | 8.75    | *                  | 0                   | 3.5  |  |
| 31252                              | No. 2 SCR System           |                        | (7)                | 3.2                 | 23.0                   | 10.06   | *                  | (3)                 | 4.0  |  |
| 31552                              | No. 2 SCR System           |                        | (8)                | 2.5                 | 23.0                   | 10.36   | *                  | (4)                 | 4.1  |  |
| 31652                              | No. 2 SCR System           |                        | (2)                | 1.2                 | 25.0                   | 9.16    | *                  | (2)                 | 3.7  |  |
| 31153                              | No. 3 SCR System           |                        | (1)                | 1.2                 | 29.0                   | 10.83   | *                  | (1)                 | 3.1  |  |
| 31253                              | No. 3 SCR System           |                        | (9)                | 2.6                 | 24.0                   | 13.43   | *                  | (6)                 | 3.9  |  |
| 31553                              | No. 3 SCR System           |                        | (7)                | 2.5                 | 23.0                   | 13.92   | *                  | (6)                 | 4.0  |  |
| 31653                              | No. 3 SCR System           |                        | (6)                | 2.7                 | 27.0                   | 12.01   | *                  | (5)                 | 3.4  |  |
| 31154                              | No. 4 SCR System           |                        | (1)                | 1.4                 | 37.0                   | 10.85   | *                  | (1)                 | 2.4  |  |
| 31254                              | No. 4 SCR System           |                        | (10)               | 2.3                 | 25.0                   | 16.87   | *                  | (12)                | 3.8  |  |
| 31554                              | No. 4 SCR System           |                        | (6)                | 2.1                 | 24.0                   | 17.63   | *                  | (12)                | 3.9  |  |
| 31654                              | No. 4 SCR System           |                        | (5)                | 1.7                 | 30.0                   | 14.68   | *                  | (13)                | 3.3  |  |
| 31647                              | Big Bend Amortizable Tools |                        |                    | 14.3                |                        |         |                    |                     | 14.3 |  |

**Comparison of Rates and Components**

| Account Number | Account Title | Current                      |                        |                         | Commission Approved**        |             |                        |                         |
|----------------|---------------|------------------------------|------------------------|-------------------------|------------------------------|-------------|------------------------|-------------------------|
|                |               | Average Remaining Life (yrs) | Future Net Salvage (%) | Remaining Life Rate (%) | Average Remaining Life (yrs) | Reserve (%) | Future Net Salvage (%) | Remaining Life Rate (%) |

|       |             |      |      |     |
|-------|-------------|------|------|-----|
| 34144 | BB CT No. 4 | 26.0 | (11) | 4.3 |
| 34244 | BB CT No. 4 | 26.0 | (11) | 4.3 |
| 34344 | BB CT No. 4 | 26.0 | (11) | 4.3 |
| 34544 | BB CT No. 4 | 26.0 | (11) | 4.3 |
| 34644 | BB CT No. 4 | 0.0  | 0    | 0.0 |

|      |       |   |      |     |
|------|-------|---|------|-----|
| 37.0 | 6.38  | * | (1)  | 2.6 |
| 27.0 | 9.05  | * | (6)  | 3.6 |
| 24.0 | 10.05 | * | (6)  | 4.0 |
| 25.0 | 10.23 | * | (11) | 4.0 |
| 0.0  | 0.0   |   | 0    | 0.0 |

**BAYSIDE POWER STATION**

|       |           |      |      |     |
|-------|-----------|------|------|-----|
| 34130 | BP Common | 35.0 | (2)  | 2.3 |
| 34230 | BP Common | 34.0 | (4)  | 2.5 |
| 34330 | BP Common | 33.0 | (11) | 2.9 |
| 34530 | BP Common | 19.8 | (9)  | 4.3 |
| 34630 | BP Common | 21.0 | (6)  | 3.4 |

|      |       |   |      |     |
|------|-------|---|------|-----|
| 33.0 | 27.60 | * | (2)  | 2.3 |
| 32.0 | 22.83 | * | (4)  | 2.5 |
| 31.0 | 12.75 | * | (11) | 3.2 |
| 16.3 | 39.76 | * | (8)  | 4.2 |
| 22.0 | 34.64 | * | (6)  | 3.2 |

|       |               |      |      |     |
|-------|---------------|------|------|-----|
| 34131 | BP Unit No. 1 | 35.0 | (1)  | 2.3 |
| 34231 | BP Unit No. 1 | 33.0 | (7)  | 2.9 |
| 34331 | BP Unit No. 1 | 22.0 | (7)  | 4.0 |
| 34531 | BP Unit No. 1 | 30.0 | (11) | 3.2 |
| 34631 | BP Unit No. 1 | 32.0 | (3)  | 2.5 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 31.0 | 24.07 | * | (1) | 2.5 |
| 28.0 | 23.27 | * | (5) | 2.9 |
| 19.5 | 24.82 | * | (6) | 4.2 |
| 25.0 | 28.85 | * | (8) | 3.2 |
| 28.0 | 27.49 | * | (3) | 2.7 |

|       |               |      |      |     |
|-------|---------------|------|------|-----|
| 34132 | BP Unit No. 2 | 37.0 | (1)  | 2.3 |
| 34232 | BP Unit No. 2 | 34.0 | (7)  | 2.9 |
| 34332 | BP Unit No. 2 | 24.0 | (7)  | 3.9 |
| 34532 | BP Unit No. 2 | 32.0 | (10) | 3.1 |
| 34632 | BP Unit No. 2 | 33.0 | (3)  | 2.6 |

|      |       |   |     |     |
|------|-------|---|-----|-----|
| 32.0 | 20.71 | * | (1) | 2.5 |
| 29.0 | 21.28 | * | (5) | 2.9 |
| 20.0 | 23.47 | * | (6) | 4.1 |
| 27.0 | 24.76 | * | (8) | 3.1 |
| 28.0 | 24.96 | * | (2) | 2.8 |

|       |             |      |      |     |
|-------|-------------|------|------|-----|
| 34133 | BP CT No. 3 | 26.0 | (11) | 4.3 |
| 34233 | BP CT No. 3 | 26.0 | (11) | 4.3 |
| 34333 | BP CT No. 3 | 26.0 | (11) | 4.3 |
| 34533 | BP CT No. 3 | 26.0 | (11) | 4.3 |
| 34633 | BP CT No. 3 | 0.0  | 0    | 0.0 |

|      |       |   |      |     |
|------|-------|---|------|-----|
| 37.0 | 6.38  | * | (1)  | 2.6 |
| 27.0 | 9.05  | * | (6)  | 3.6 |
| 24.0 | 10.05 | * | (6)  | 4.0 |
| 25.0 | 10.23 | * | (11) | 4.0 |
| 0.0  | 0.0   |   | 0    | 0.0 |

| Comparison of Rates and Components |                           |                        |                    |                     |                        |         |   |                    |                     |
|------------------------------------|---------------------------|------------------------|--------------------|---------------------|------------------------|---------|---|--------------------|---------------------|
| Account Number                     | Account Title             | Current                |                    |                     | Commission Approved**  |         |   |                    |                     |
|                                    |                           | Average Remaining Life | Future Net Salvage | Remaining Life Rate | Average Remaining Life | Reserve |   | Future Net Salvage | Remaining Life Rate |
|                                    |                           | (yrs)                  | (%)                | (%)                 | (yrs)                  | (%)     |   | (%)                | (%)                 |
| 34134                              | BP CT No. 4               | 26.0                   | (11)               | 4.3                 | 37.0                   | 6.38    | * | (1)                | 2.6                 |
| 34234                              | BP CT No. 4               | 26.0                   | (11)               | 4.3                 | 27.0                   | 9.05    | * | (6)                | 3.6                 |
| 34334                              | BP CT No. 4               | 26.0                   | (11)               | 4.3                 | 24.0                   | 10.05   | * | (6)                | 4.0                 |
| 34534                              | BP CT No. 4               | 26.0                   | (11)               | 4.3                 | 25.0                   | 10.23   | * | (11)               | 4.0                 |
| 34634                              | BP CT No. 4               | 0.0                    | 0                  | 0.0                 | 0.0                    | 0.0     |   | 0                  | 0.0                 |
| 34135                              | BP CT No. 5               | 26.0                   | (11)               | 4.3                 | 37.0                   | 6.38    | * | (1)                | 2.6                 |
| 34235                              | BP CT No. 5               | 26.0                   | (11)               | 4.3                 | 27.0                   | 9.05    | * | (6)                | 3.6                 |
| 34335                              | BP CT No. 5               | 26.0                   | (11)               | 4.3                 | 24.0                   | 10.05   | * | (6)                | 4.0                 |
| 34535                              | BP CT No. 5               | 26.0                   | (11)               | 4.3                 | 25.0                   | 10.23   | * | (11)               | 4.0                 |
| 34635                              | BP CT No. 5               | 0.0                    | 0                  | 0.0                 | 0.0                    | 0.0     |   | 0                  | 0.0                 |
| 34136                              | BP CT No. 6               | 26.0                   | (11)               | 4.3                 | 37.0                   | 6.38    | * | (1)                | 2.6                 |
| 34236                              | BP CT No. 6               | 26.0                   | (11)               | 4.3                 | 27.0                   | 9.05    | * | (6)                | 3.6                 |
| 34336                              | BP CT No. 6               | 26.0                   | (11)               | 4.3                 | 24.0                   | 10.05   | * | (6)                | 4.0                 |
| 34536                              | BP CT No. 6               | 26.0                   | (11)               | 4.3                 | 25.0                   | 10.23   | * | (11)               | 4.0                 |
| 34636                              | BP CT No. 6               | 0.0                    | 0                  | 0.0                 | 0.0                    | 0.0     |   | 0                  | 0.0                 |
| 34637                              | Bayside Amortizable Tools |                        |                    | 14.3                |                        |         |   |                    | 14.3                |
| <b>POLK POWER STATION</b>          |                           |                        |                    |                     |                        |         |   |                    |                     |
| 34180                              | PK Common                 | 33.0                   | (1)                | 2.3                 | 32.0                   | 30.89   | * | (1)                | 2.2                 |
| 34280                              | PK Common                 | 28.0                   | (4)                | 2.2                 | 26.0                   | 8.77    | * | (5)                | 3.7                 |
| 34380                              | PK Common                 | 33.0                   | (2)                | 2.0                 | 33.0                   | 30.22   | * | (2)                | 2.2                 |
| 34580                              | PK Common                 | 28.0                   | (3)                | 2.4                 | 25.0                   | 32.15   | * | (4)                | 2.9                 |
| 34680                              | PK Common                 | 30.0                   | (3)                | 2.2                 | 29.0                   | 33.13   | * | (3)                | 2.4                 |
| 34181                              | PK Unit No. 1             | 32.0                   | (1)                | 2.5                 | 26.0                   | 35.10   | * | (1)                | 2.5                 |
| 34281                              | PK Unit No. 1             | 23.0                   | (9)                | 3.4                 | 19.3                   | 42.29   | * | (7)                | 3.4                 |
| 34381                              | PK Unit No. 1             | 11.5                   | (9)                | 6.4                 | 12.9                   | 49.44   | * | (7)                | 4.5                 |
| 34581                              | PK Unit No. 1             | 22.0                   | (4)                | 3.1                 | 17.4                   | 46.51   | * | (4)                | 3.3                 |
| 34681                              | PK Unit No. 1             | 29.0                   | (4)                | 3.4                 | 22.0                   | 37.86   | * | (5)                | 3.1                 |

**Comparison of Rates and Components**

| Account Number          | Account Title          | Current                      |                        |                         | Commission Approved**        |             |   |                        |                         |
|-------------------------|------------------------|------------------------------|------------------------|-------------------------|------------------------------|-------------|---|------------------------|-------------------------|
|                         |                        | Average Remaining Life (yrs) | Future Net Salvage (%) | Remaining Life Rate (%) | Average Remaining Life (yrs) | Reserve (%) |   | Future Net Salvage (%) | Remaining Life Rate (%) |
| 34182                   | PK CT No. 2            | 31.0                         | (1)                    | 2.7                     | 26.0                         | 29.64       | * | (1)                    | 2.7                     |
| 34282                   | PK CT No. 2            | 28.0                         | (3)                    | 2.9                     | 23.0                         | 28.51       | * | (5)                    | 3.3                     |
| 34382                   | PK CT No. 2            | 11.2                         | (9)                    | 7.6                     | 15.4                         | 40.91       | * | (8)                    | 4.4                     |
| 34582                   | PK CT No. 2            | 29.0                         | (2)                    | 2.9                     | 25.0                         | 30.88       | * | (2)                    | 2.8                     |
| 34682                   | PK CT No. 2            | 30.0                         | (4)                    | 2.8                     | 19.3                         | 39.98       | * | (8)                    | 3.5                     |
| 34183                   | PK CT No. 3            | 35.0                         | (1)                    | 2.6                     | 30.0                         | 23.99       | * | (1)                    | 2.6                     |
| 34283                   | PK CT No. 3            | 30.0                         | (3)                    | 2.9                     | 26.0                         | 26.90       | * | (3)                    | 2.9                     |
| 34383                   | PK CT No. 3            | 14.7                         | (14)                   | 6.2                     | 17.0                         | 31.60       | * | (9)                    | 4.6                     |
| 34583                   | PK CT No. 3            | 29.0                         | (3)                    | 3.0                     | 25.0                         | 26.98       | * | (3)                    | 3.0                     |
| 34683                   | PK CT No. 3            | 32.0                         | (3)                    | 2.9                     | 25.0                         | 27.93       | * | (5)                    | 3.1                     |
| 34184                   | PK CT No. 4            | 26.0                         | (11)                   | 4.3                     | 37.0                         | 10.99       | * | (1)                    | 2.4                     |
| 34284                   | PK CT No. 4            | 26.0                         | (11)                   | 4.3                     | 28.0                         | 15.08       | * | (6)                    | 3.2                     |
| 34384                   | PK CT No. 4            | 26.0                         | (11)                   | 4.3                     | 22.0                         | 16.61       | * | (6)                    | 4.1                     |
| 34584                   | PK CT No. 4            | 26.0                         | (11)                   | 4.3                     | 23.0                         | 17.29       | * | (6)                    | 3.9                     |
| 34684                   | PK CT No. 4            | 26.0                         | (11)                   | 4.3                     | 0.0                          | 0.0         |   | 0                      | 0.0                     |
| 34185                   | PK CT No. 5            | 26.0                         | (11)                   | 4.3                     | 37.0                         | 10.99       | * | (1)                    | 2.4                     |
| 34285                   | PK CT No. 5            | 26.0                         | (11)                   | 4.3                     | 27.0                         | 15.28       | * | (7)                    | 3.4                     |
| 34385                   | PK CT No. 5            | 26.0                         | (11)                   | 4.3                     | 23.0                         | 17.37       | * | (6)                    | 3.9                     |
| 34585                   | PK CT No. 5            | 26.0                         | (11)                   | 4.3                     | 23.0                         | 17.27       | * | (6)                    | 3.9                     |
| 34685                   | PK CT No. 5            | 26.0                         | (11)                   | 4.3                     | 0.0                          | 0.0         |   | 0                      | 0.0                     |
| 34687                   | Polk Amortizable Tools |                              |                        | 14.3                    |                              |             |   |                        | 14.3                    |
| <b>PHILLIPS STATION</b> |                        |                              |                        |                         |                              |             |   |                        |                         |
| 34128                   | Phillips Station       | 5.2                          | (5)                    | 3.4                     | 0.0                          | 100.00      | * | 0                      | 0                       |
| 34228                   | Phillips Station       | 5.2                          | (4)                    | 3.0                     | 0.0                          | 100.00      | * | 0                      | 0                       |
| 34328                   | Phillips Station       | 5.8                          | (3)                    | 3.7                     | 0.0                          | 100.00      | * | 0                      | 0                       |
| 34528                   | Phillips Station       | 4.8                          | (5)                    | 3.5                     | 0.0                          | 100.00      | * | 0                      | 0                       |
| 34628                   | Phillips Station       | 5.4                          | (4)                    | 4.2                     | 0.0                          | 100.00      | * | 0                      | 0                       |

| Comparison of Rates and Components |               |                              |                        |                         |                              |             |  |                        |                         |
|------------------------------------|---------------|------------------------------|------------------------|-------------------------|------------------------------|-------------|--|------------------------|-------------------------|
| Account Number                     | Account Title | Current                      |                        |                         | Commission Approved**        |             |  |                        |                         |
|                                    |               | Average Remaining Life (yrs) | Future Net Salvage (%) | Remaining Life Rate (%) | Average Remaining Life (yrs) | Reserve (%) |  | Future Net Salvage (%) | Remaining Life Rate (%) |

**CITY OF TAMPA**

|       |                           |      |     |     |      |       |   |     |     |
|-------|---------------------------|------|-----|-----|------|-------|---|-----|-----|
| 34390 | City of Tampa Partnership | 18.5 | (8) | 4.5 | 13.6 | 49.45 | * | (8) | 4.3 |
|-------|---------------------------|------|-----|-----|------|-------|---|-----|-----|

**TRANSMISSION PLANT**

|        |                                    |      |      |     |      |       |   |      |     |
|--------|------------------------------------|------|------|-----|------|-------|---|------|-----|
| 350.01 | Land Rights                        | 28.0 | 0    | 2.3 | 51.0 | 32.66 | * | 0    | 1.3 |
| 352.00 | Structures and Improvements        | 36.0 | (3)  | 2.3 | 52.0 | 14.67 | * | (5)  | 1.7 |
| 353.00 | Station Equipment                  | 32.0 | (5)  | 2.5 | 35.0 | 25.16 | * | (5)  | 2.3 |
| 354.00 | Towers and Fixtures                | 12.5 | (15) | 2.4 | 10.4 | 91.17 | * | (15) | 2.3 |
| 355.00 | Poles and Fixtures                 | 24.0 | (40) | 4.4 | 29.0 | 35.76 | * | (40) | 3.6 |
| 356.00 | Overhead Conductors and Devices    | 24.0 | (30) | 3.7 | 40.0 | 29.91 | * | (40) | 2.8 |
| 356.01 | Clearing Rights-of-Way             | 22.0 | 0    | 2.0 | 19.8 | 60.35 | * | 0    | 2.0 |
| 357.00 | Underground Conduit                | 32.0 | 0    | 1.7 | 39.0 | 29.36 | * | 0    | 1.8 |
| 358.00 | Underground Conductors and Devices | 27.0 | 0    | 2.4 | 27.0 | 39.24 | * | 0    | 2.3 |
| 359.00 | Roads and Trails                   | 35.0 | 0    | 2.2 | 48.0 | 26.72 | * | 0    | 1.5 |

**DISTRIBUTION PLANT**

|        |                                    |      |      |     |      |       |   |      |     |
|--------|------------------------------------|------|------|-----|------|-------|---|------|-----|
| 361.00 | Structures and Improvements        | 30.0 | (3)  | 2.4 | 48.0 | 20.67 | * | (5)  | 1.8 |
| 362.00 | Station Equipment                  | 30.0 | (10) | 2.5 | 35.0 | 25.43 | * | (10) | 2.4 |
| 364.00 | Poles, Towers and Fixtures         | 22.0 | (50) | 4.7 | 21.0 | 57.40 | * | (50) | 4.4 |
| 365.00 | Overhead Conductors and Devices    | 20.0 | (20) | 3.3 | 25.0 | 43.44 | * | (20) | 3.1 |
| 366.00 | Underground Conduit                | 38.0 | 0    | 2.0 | 46.0 | 24.11 | * | (5)  | 1.8 |
| 367.00 | Underground Conductors and Dev.    | 23.0 | 0    | 3.2 | 26.0 | 26.05 | * | (5)  | 3.0 |
| 368.00 | Line Transformers                  | 6.9  | 30   | 4.2 | 9.9  | 46.83 | * | 10   | 4.4 |
| 369.00 | Overhead Services                  | 24.0 | (20) | 3.1 | 18.8 | 55.66 | * | (20) | 3.4 |
| 369.02 | Underground Services               | 24.0 | (15) | 3.3 | 27.0 | 34.87 | * | (10) | 2.8 |
| 370.00 | Meters                             | 17.8 | (30) | 6.3 | 12.8 | 37.63 | * | (30) | 7.2 |
| 373.00 | Street Lighting and Signal Systems | 10.9 | 0    | 5.2 | 12.5 | 42.39 | * | (10) | 5.4 |

**Comparison of Rates and Components**

| Account Number | Account Title | Current                      |                        |                         | Commission Approved**        |             |                        |                         |
|----------------|---------------|------------------------------|------------------------|-------------------------|------------------------------|-------------|------------------------|-------------------------|
|                |               | Average Remaining Life (yrs) | Future Net Salvage (%) | Remaining Life Rate (%) | Average Remaining Life (yrs) | Reserve (%) | Future Net Salvage (%) | Remaining Life Rate (%) |

**GENERAL PLANT**

|        |                             |      |      |     |      |       |  |     |     |
|--------|-----------------------------|------|------|-----|------|-------|--|-----|-----|
| 390.00 | Structures and Improvements | 24.0 | (20) | 3.5 | 24.0 | 48.96 |  | (4) | 2.3 |
| 397.25 | Comm. Equipment             | 10.0 | (10) | 6.9 | 7.3  | 66.14 |  | (5) | 5.3 |

**TRANSPORTATION EQUIPMENT**

**Energy Delivery**

|        |               |     |    |      |     |       |   |    |     |
|--------|---------------|-----|----|------|-----|-------|---|----|-----|
| 392.02 | Light Trucks  | 4.0 | 15 | 12.6 | 4.0 | 64.22 | * | 15 | 5.2 |
| 392.03 | Heavy Trucks  | 3.9 | 10 | 5.9  | 3.9 | 70.07 | * | 10 | 5.1 |
| 392.04 | Medium Trucks | 3.9 | 15 | 7.8  | 3.9 | 59.30 | * | 15 | 6.6 |

**Energy Supply**

|        |               |     |    |     |     |       |   |    |     |
|--------|---------------|-----|----|-----|-----|-------|---|----|-----|
| 392.12 | Light Trucks  | 5.2 | 15 | 8.5 | 5.2 | 50.57 | * | 15 | 6.6 |
| 392.13 | Heavy Trucks  | 4.4 | 10 | 5.9 | 4.4 | 73.52 | * | 10 | 3.7 |
| 392.14 | Medium Trucks | 5.9 | 15 | 5.7 | 5.9 | 65.59 | * | 15 | 3.3 |

**GENERAL PLANT AMORTIZED**

|        |                                    |                    |  |  |                    |  |  |  |  |
|--------|------------------------------------|--------------------|--|--|--------------------|--|--|--|--|
| 391.01 | Office Furniture and Equipment     | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 391.02 | Computer Equipment - Work Stations | 4 year Amortizable |  |  | 4 year Amortizable |  |  |  |  |
| 391.03 | Data Handling Equipment            | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 391.04 | Computer Equipment - Mainframe     | 5 year Amortizable |  |  | 5 year Amortizable |  |  |  |  |
| 393.00 | Stores Equipment                   | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 394.00 | Tools, Shop and Garage Equipment   | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 395.00 | Laboratory Equipment               | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 396.00 | Power Operated Equipment           | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 397.00 | Communication Equipment            | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |
| 398.00 | Miscellaneous Equipment            | 7 year Amortizable |  |  | 7 year Amortizable |  |  |  |  |

\* Denotes restated reserve after corrective reserve measures.

\*\* Staff and Tampa Electric agree on lives, net salvages, and the resulting depreciation rates for all accounts.

| Comparison of Expenses |               |                       |                     |                       |                     |                        |
|------------------------|---------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number         | Account Title | Current               |                     | Commission Approved   |                     |                        |
|                        |               | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |

**BIG BEND STATION**

|       |           |     |           |
|-------|-----------|-----|-----------|
| 31140 | BB Common | 2.0 | 3,694,794 |
| 31240 | BB Common | 2.6 | 2,246,516 |
| 31440 | BB Common | 1.8 | 127,052   |
| 31540 | BB Common | 3.0 | 657,763   |
| 31640 | BB Common | 3.1 | 293,949   |

|     |           |           |
|-----|-----------|-----------|
| 2.9 | 5,357,451 | 1,662,657 |
| 3.4 | 2,937,752 | 691,236   |
| 2.3 | 162,344   | 35,292    |
| 3.7 | 811,241   | 153,478   |
| 4.2 | 398,254   | 104,305   |

|       |               |     |           |
|-------|---------------|-----|-----------|
| 31141 | BB Unit No. 1 | 1.4 | 109,273   |
| 31241 | BB Unit No. 1 | 3.3 | 3,656,648 |
| 31441 | BB Unit No. 1 | 2.5 | 830,555   |
| 31541 | BB Unit No. 1 | 2.5 | 404,238   |
| 31641 | BB Unit No. 1 | 1.2 | 12,473    |

|     |           |         |
|-----|-----------|---------|
| 2.0 | 156,105   | 46,832  |
| 4.0 | 4,432,301 | 775,653 |
| 3.5 | 1,162,777 | 332,222 |
| 3.5 | 565,933   | 161,695 |
| 2.9 | 30,143    | 17,670  |

|       |               |     |           |
|-------|---------------|-----|-----------|
| 31142 | BB Unit No. 2 | 1.6 | 127,075   |
| 31242 | BB Unit No. 2 | 3.1 | 2,884,884 |
| 31442 | BB Unit No. 2 | 2.5 | 1,148,227 |
| 31542 | BB Unit No. 2 | 2.5 | 341,379   |
| 31642 | BB Unit No. 2 | 2.0 | 13,603    |

|     |           |         |
|-----|-----------|---------|
| 2.0 | 158,844   | 31,769  |
| 3.7 | 3,443,249 | 558,365 |
| 3.8 | 1,745,305 | 597,078 |
| 3.3 | 450,620   | 109,241 |
| 3.0 | 20,404    | 6,801   |

|       |               |     |           |
|-------|---------------|-----|-----------|
| 31143 | BB Unit No. 3 | 1.2 | 182,529   |
| 31243 | BB Unit No. 3 | 2.6 | 3,539,484 |
| 31443 | BB Unit No. 3 | 1.8 | 750,819   |
| 31543 | BB Unit No. 3 | 2.5 | 590,048   |
| 31643 | BB Unit No. 3 | 2.7 | 38,375    |

|     |           |           |
|-----|-----------|-----------|
| 1.8 | 273,793   | 91,264    |
| 3.5 | 4,764,690 | 1,225,206 |
| 3.2 | 1,334,790 | 583,971   |
| 3.6 | 849,669   | 259,621   |
| 3.0 | 42,639    | 4,264     |

|       |               |     |           |
|-------|---------------|-----|-----------|
| 31144 | BB Unit No. 4 | 1.4 | 871,534   |
| 31244 | BB Unit No. 4 | 2.4 | 5,779,822 |
| 31444 | BB Unit No. 4 | 2.0 | 1,916,324 |
| 31544 | BB Unit No. 4 | 2.1 | 941,752   |
| 31644 | BB Unit No. 4 | 1.7 | 99,022    |

|     |           |           |
|-----|-----------|-----------|
| 1.8 | 1,120,544 | 249,010   |
| 3.0 | 7,224,778 | 1,444,956 |
| 2.8 | 2,682,853 | 766,529   |
| 3.2 | 1,435,050 | 493,298   |
| 2.5 | 145,620   | 46,598    |



| Comparison of Expenses |                            |                       |                     |                       |                     |                        |
|------------------------|----------------------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number         | Account Title              | Current               |                     | Commission Approved   |                     |                        |
|                        |                            | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |
| 31146                  | No. 1 & 2 FGD System       | 2.6                   | 330,328             | 2.9                   | 368,442             | 38,114                 |
| 31246                  | No. 1 & 2 FGD System       | 2.9                   | 1,799,398           | 3.3                   | 2,047,591           | 248,193                |
| 31546                  | No. 1 & 2 FGD System       | 3.3                   | 300,515             | 3.5                   | 318,728             | 18,213                 |
| 31646                  | No. 1 & 2 FGD System       | 2.5                   | 44,498              | 2.9                   | 51,617              | 7,119                  |
| 31145                  | No. 3 & 4 FGD System       | 1.5                   | 335,037             | 2.0                   | 446,716             | 111,679                |
| 31245                  | No. 3 & 4 FGD System       | 2.3                   | 3,641,379           | 2.5                   | 3,958,020           | 316,641                |
| 31545                  | No. 3 & 4 FGD System       | 2.1                   | 486,318             | 3.1                   | 717,898             | 231,580                |
| 31645                  | No. 3 & 4 FGD System       | 2.0                   | 15,040              | 3.2                   | 24,065              | 9,025                  |
| 31151                  | No. 1 SCR System           | 2.1                   | 475,671             | 4.1                   | 928,692             | 453,021                |
| 31251                  | No. 1 SCR System           | 2.6                   | 1,177,853           | 4.3                   | 1,947,988           | 770,135                |
| 31551                  | No. 1 SCR System           | 3.0                   | 453,020             | 4.8                   | 724,833             | 271,813                |
| 31651                  | No. 1 SCR System           | 3.1                   | 26,007              | 4.1                   | 34,396              | 8,389                  |
| 31152                  | No. 2 SCR System           | 1.4                   | 352,924             | 3.5                   | 882,310             | 529,386                |
| 31252                  | No. 2 SCR System           | 3.2                   | 1,581,235           | 4.0                   | 1,976,544           | 395,309                |
| 31552                  | No. 2 SCR System           | 2.5                   | 397,861             | 4.1                   | 652,492             | 254,631                |
| 31652                  | No. 2 SCR System           | 1.2                   | 11,503              | 3.7                   | 35,469              | 23,966                 |
| 31153                  | No. 3 SCR System           | 1.2                   | 260,273             | 3.1                   | 672,372             | 412,099                |
| 31253                  | No. 3 SCR System           | 2.6                   | 1,105,255           | 3.9                   | 1,657,883           | 552,628                |
| 31553                  | No. 3 SCR System           | 2.5                   | 342,274             | 4.0                   | 547,638             | 205,364                |
| 31653                  | No. 3 SCR System           | 2.7                   | 22,266              | 3.4                   | 28,039              | 5,773                  |
| 31154                  | No. 4 SCR System           | 1.4                   | 236,002             | 2.4                   | 404,574             | 168,573                |
| 31254                  | No. 4 SCR System           | 2.3                   | 758,911             | 3.8                   | 1,253,853           | 494,942                |
| 31554                  | No. 4 SCR System           | 2.1                   | 223,483             | 3.9                   | 415,039             | 191,556                |
| 31654                  | No. 4 SCR System           | 1.7                   | 11,695              | 3.3                   | 22,702              | 11,007                 |
| 31647                  | Big Bend Amortizable Tools | 14.3                  | 317,298             | 14.3                  | 317,298             | 0                      |

| Comparison of Expenses       |               |                       |                     |                       |                     |                        |
|------------------------------|---------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number               | Account Title | Current               |                     | Commission Approved   |                     |                        |
|                              |               | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |
| 34144                        | BB CT No. 4   | 4.3                   | 302,759             | 2.6                   | 183,064             | (119,695)              |
| 34244                        | BB CT No. 4   | 4.3                   | 124,666             | 3.6                   | 104,371             | (20,295)               |
| 34344                        | BB CT No. 4   | 4.3                   | 1,086,371           | 4.0                   | 1,010,578           | (75,793)               |
| 34544                        | BB CT No. 4   | 4.3                   | 267,140             | 4.0                   | 248,503             | (18,637)               |
| 34644                        | BB CT No. 4   | 0.0                   | 0                   | 0.0                   | 0                   | 0                      |
| <b>BAYSIDE POWER STATION</b> |               |                       |                     |                       |                     |                        |
| 34130                        | BP Common     | 2.3                   | 1,601,966           | 2.3                   | 1,601,966           | 0                      |
| 34230                        | BP Common     | 2.5                   | 463,103             | 2.5                   | 463,103             | 0                      |
| 34330                        | BP Common     | 2.9                   | 981,518             | 3.2                   | 1,083,054           | 101,536                |
| 34530                        | BP Common     | 4.3                   | 501,256             | 4.2                   | 489,599             | (11,657)               |
| 34630                        | BP Common     | 3.4                   | 302,559             | 3.2                   | 284,761             | (17,798)               |
| 34131                        | BP Unit No. 1 | 2.3                   | 506,264             | 2.5                   | 550,287             | 44,023                 |
| 34231                        | BP Unit No. 1 | 2.9                   | 2,069,597           | 2.9                   | 2,069,597           | 0                      |
| 34331                        | BP Unit No. 1 | 4.0                   | 7,684,403           | 4.2                   | 8,068,623           | 384,220                |
| 34531                        | BP Unit No. 1 | 3.2                   | 1,045,480           | 3.2                   | 1,045,480           | 0                      |
| 34631                        | BP Unit No. 1 | 2.5                   | 31,443              | 2.7                   | 33,958              | 2,515                  |
| 34132                        | BP Unit No. 2 | 2.3                   | 598,216             | 2.5                   | 650,235             | 52,019                 |
| 34232                        | BP Unit No. 2 | 2.9                   | 2,771,277           | 2.9                   | 2,771,277           | 0                      |
| 34332                        | BP Unit No. 2 | 3.9                   | 10,412,424          | 4.1                   | 10,946,395          | 533,971                |
| 34532                        | BP Unit No. 2 | 3.1                   | 1,255,371           | 3.1                   | 1,255,371           | 0                      |
| 34632                        | BP Unit No. 2 | 2.6                   | 39,462              | 2.8                   | 42,497              | 3,035                  |
| 34133                        | BP CT No. 3   | 4.3                   | 195,296             | 2.6                   | 118,086             | (77,210)               |
| 34233                        | BP CT No. 3   | 4.3                   | 80,416              | 3.6                   | 67,325              | (13,091)               |
| 34333                        | BP CT No. 3   | 4.3                   | 700,768             | 4.0                   | 651,877             | (48,891)               |
| 34533                        | BP CT No. 3   | 4.3                   | 172,320             | 4.0                   | 160,298             | (12,022)               |
| 34633                        | BP CT No. 3   | 0.0                   | 0                   | 0.0                   | 0                   | 0                      |

| Comparison of Expenses    |                           |                       |                     |                       |                     |                        |
|---------------------------|---------------------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number            | Account Title             | Current               |                     | Commission Approved   |                     |                        |
|                           |                           | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |
| 34134                     | BP CT No. 4               | 4.3                   | 194,952             | 2.6                   | 117,878             | (77,074)               |
| 34234                     | BP CT No. 4               | 4.3                   | 80,274              | 3.6                   | 67,206              | (13,068)               |
| 34334                     | BP CT No. 4               | 4.3                   | 699,532             | 4.0                   | 650,728             | (48,804)               |
| 34534                     | BP CT No. 4               | 4.3                   | 172,016             | 4.0                   | 160,015             | (12,001)               |
| 34634                     | BP CT No. 4               | 0.0                   | 0                   | 0.0                   | 0                   | 0                      |
| 34135                     | BP CT No. 5               | 4.3                   | 293,422             | 2.6                   | 177,418             | (116,004)              |
| 34235                     | BP CT No. 5               | 4.3                   | 120,821             | 3.6                   | 101,152             | (19,669)               |
| 34335                     | BP CT No. 5               | 4.3                   | 1,052,869           | 4.0                   | 979,413             | (73,456)               |
| 34535                     | BP CT No. 5               | 4.3                   | 258,902             | 4.0                   | 240,839             | (18,063)               |
| 34635                     | BP CT No. 5               | 0.0                   | 0                   | 0.0                   | 0                   | 0                      |
| 34136                     | BP CT No. 6               | 4.3                   | 292,673             | 2.6                   | 176,965             | (115,708)              |
| 34236                     | BP CT No. 6               | 4.3                   | 120,513             | 3.6                   | 100,894             | (19,619)               |
| 34336                     | BP CT No. 6               | 4.3                   | 1,050,181           | 4.0                   | 976,913             | (73,268)               |
| 34536                     | BP CT No. 6               | 4.3                   | 258,241             | 4.0                   | 240,224             | (18,017)               |
| 34636                     | BP CT No. 6               | 0.0                   | 0                   | 0.0                   | 0                   | 0                      |
| 34637                     | Bayside Amortizable Tools | 14.3                  | 0                   | 14.3                  | 0                   | 0                      |
| <b>POLK POWER STATION</b> |                           |                       |                     |                       |                     |                        |
| 34180                     | PK Common                 | 2.3                   | 1,525,339           | 2.2                   | 1,459,020           | (66,319)               |
| 34280                     | PK Common                 | 2.2                   | 95,171              | 3.7                   | 160,061             | 64,890                 |
| 34380                     | PK Common                 | 2.0                   | 48,236              | 2.2                   | 53,059              | 4,823                  |
| 34580                     | PK Common                 | 2.4                   | 46,540              | 2.9                   | 56,236              | 9,696                  |
| 34680                     | PK Common                 | 2.2                   | 17,557              | 2.4                   | 19,154              | 1,597                  |
| 34181                     | PK Unit No. 1             | 2.5                   | 1,168,430           | 2.5                   | 1,168,430           | 0                      |
| 34281                     | PK Unit No. 1             | 3.4                   | 7,945,121           | 3.4                   | 7,945,121           | 0                      |
| 34381                     | PK Unit No. 1             | 6.4                   | 8,160,846           | 4.5                   | 5,738,095           | (2,422,751)            |
| 34581                     | PK Unit No. 1             | 3.1                   | 1,817,456           | 3.3                   | 1,934,711           | 117,255                |
| 34681                     | PK Unit No. 1             | 3.4                   | 175,174             | 3.1                   | 159,718             | (15,456)               |

| Comparison of Expenses  |                           |                       |                     |                       |                     |                        |
|-------------------------|---------------------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number          | Account Title             | Current               |                     | Commission Approved   |                     |                        |
|                         |                           | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |
| 34182                   | PK CT No. 2               | 2.7                   | 58,025              | 2.7                   | 58,025              | 0                      |
| 34282                   | PK CT No. 2               | 2.9                   | 35,788              | 3.3                   | 40,724              | 4,936                  |
| 34382                   | PK CT No. 2               | 7.6                   | 2,103,222           | 4.4                   | 1,217,655           | (885,567)              |
| 34582                   | PK CT No. 2               | 2.9                   | 480,517             | 2.8                   | 463,948             | (16,569)               |
| 34682                   | PK CT No. 2               | 2.8                   | 4,850               | 3.5                   | 6,062               | 1,212                  |
| 34183                   | PK CT No. 3               | 2.6                   | 268,764             | 2.6                   | 268,764             | 0                      |
| 34283                   | PK CT No. 3               | 2.9                   | 33,721              | 2.9                   | 33,721              | 0                      |
| 34383                   | PK CT No. 3               | 6.2                   | 2,391,293           | 4.6                   | 1,774,185           | (617,108)              |
| 34583                   | PK CT No. 3               | 3.0                   | 273,577             | 3.0                   | 273,577             | 0                      |
| 34683                   | PK CT No. 3               | 2.9                   | 12,554              | 3.1                   | 13,420              | 866                    |
| 34184                   | PK CT No. 4               | 4.3                   | 240,092             | 2.4                   | 134,005             | (106,087)              |
| 34284                   | PK CT No. 4               | 4.3                   | 92,285              | 3.2                   | 68,678              | (23,607)               |
| 34384                   | PK CT No. 4               | 4.3                   | 960,159             | 4.1                   | 915,500             | (44,659)               |
| 34584                   | PK CT No. 4               | 4.3                   | 218,555             | 3.9                   | 198,225             | (20,330)               |
| 34684                   | PK CT No. 4               | 4.3                   | 0                   | 4.3                   | 0                   | 0                      |
| 34185                   | PK CT No. 5               | 4.3                   | 240,550             | 2.4                   | 134,261             | (106,289)              |
| 34285                   | PK CT No. 5               | 4.3                   | 87,469              | 3.4                   | 69,162              | (18,307)               |
| 34385                   | PK CT No. 5               | 4.3                   | 891,101             | 3.9                   | 808,208             | (82,893)               |
| 34585                   | PK CT No. 5               | 4.3                   | 216,502             | 3.9                   | 196,362             | (20,140)               |
| 34685                   | PK CT No. 5               | 4.3                   | 0                   | 4.3                   | 0                   | 0                      |
| 34687                   | Polk Amortizable Tools    | 14.3                  | 138,511             | 14.3                  | 138,511             | 0                      |
| <b>PHILLIPS STATION</b> |                           |                       |                     |                       |                     |                        |
| 34128                   | Phillips Station          | 3.4                   | 322,374             | 0.0                   | 0                   | (322,374)              |
| 34228                   | Phillips Station          | 3.0                   | 703,076             | 0.0                   | 0                   | (703,076)              |
| 34328                   | Phillips Station          | 3.7                   | 772,221             | 0.0                   | 0                   | (772,221)              |
| 34528                   | Phillips Station          | 3.5                   | 206,059             | 0.0                   | 0                   | (206,059)              |
| 34628                   | Phillips Station          | 4.2                   | 27,428              | 0.0                   | 0                   | (27,428)               |
| <b>CITY OF TAMPA</b>    |                           |                       |                     |                       |                     |                        |
| 34390                   | City of Tampa Partnership | 4.5                   | 292,435             | 4.3                   | 279,438             | (12,997)               |

| Comparison of Expenses |               |                       |                     |                       |                     |                        |
|------------------------|---------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number         | Account Title | Current               |                     | Commission Approved   |                     |                        |
|                        |               | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |

**TRANSMISSION PLANT**

|        |                                    |     |           |     |           |             |
|--------|------------------------------------|-----|-----------|-----|-----------|-------------|
| 350.01 | Land Rights                        | 2.3 | 215,643   | 1.3 | 121,885   | (93,758)    |
| 352.00 | Structures and Improvements        | 2.3 | 146,509   | 1.7 | 108,289   | (38,220)    |
| 353.00 | Station Equipment                  | 2.5 | 6,046,432 | 2.3 | 5,562,718 | (483,714)   |
| 354.00 | Towers and Fixtures                | 2.4 | 102,591   | 2.3 | 98,316    | (4,275)     |
| 355.00 | Poles and Fixtures                 | 4.4 | 7,480,757 | 3.6 | 6,120,619 | (1,360,138) |
| 356.00 | Overhead Conductors and Devices    | 3.7 | 4,899,126 | 2.8 | 3,707,446 | (1,191,680) |
| 356.01 | Clearing Rights-of-Way             | 2.0 | 42,212    | 2.0 | 42,212    | 0           |
| 357.00 | Underground Conduit                | 1.7 | 60,066    | 1.8 | 63,599    | 3,533       |
| 358.00 | Underground Conductors and Devices | 2.4 | 168,222   | 2.3 | 161,213   | (7,009)     |
| 359.00 | Roads and Trails                   | 2.2 | 116,617   | 1.5 | 79,512    | (37,105)    |

**DISTRIBUTION PLANT**

|        |                                    |     |            |     |            |           |
|--------|------------------------------------|-----|------------|-----|------------|-----------|
| 361.00 | Structures and Improvements        | 2.4 | 61,052     | 1.8 | 45,789     | (15,263)  |
| 362.00 | Station Equipment                  | 2.5 | 4,929,104  | 2.4 | 4,731,940  | (197,164) |
| 364.00 | Poles, Towers and Fixtures         | 4.7 | 11,037,882 | 4.4 | 10,333,336 | (704,546) |
| 365.00 | Overhead Conductors and Devices    | 3.3 | 7,653,292  | 3.1 | 7,189,456  | (463,836) |
| 366.00 | Underground Conduit                | 2.0 | 3,285,685  | 1.8 | 2,957,116  | (328,569) |
| 367.00 | Underground Conductors and Devices | 3.2 | 6,786,654  | 3.0 | 6,362,488  | (424,166) |
| 368.00 | Line Transformers                  | 4.2 | 18,137,415 | 4.4 | 19,001,102 | 863,687   |
| 369.00 | Overhead Services                  | 3.1 | 2,278,231  | 3.4 | 2,498,705  | 220,474   |
| 369.02 | Underground Services               | 3.3 | 3,728,766  | 2.8 | 3,163,802  | (564,964) |
| 370.00 | Meters                             | 6.3 | 4,632,788  | 7.2 | 5,294,614  | 661,826   |
| 373.00 | Street Lighting and Signal Systems | 5.2 | 8,512,222  | 5.4 | 8,839,615  | 327,393   |

**GENERAL PLANT**

|        |                           |     |           |     |           |           |
|--------|---------------------------|-----|-----------|-----|-----------|-----------|
| 390.00 | Structures & Improvements | 3.5 | 2,830,521 | 2.3 | 1,860,057 | (970,464) |
| 397.25 | Comm. Equipment           | 6.9 | 1,563,715 | 5.3 | 1,201,114 | (362,601) |

| Comparison of Expenses |               |                       |                     |                       |                     |                        |
|------------------------|---------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| Account Number         | Account Title | Current               |                     | Commission Approved   |                     |                        |
|                        |               | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%) | Annual Expense (\$) | Change In Expense (\$) |

**TRANSPORTATION EQUIPMENT**

**Energy Delivery**

|        |               |      |           |
|--------|---------------|------|-----------|
| 392.02 | Light Trucks  | 12.6 | 642,591   |
| 392.03 | Heavy Trucks  | 5.9  | 1,075,610 |
| 392.04 | Medium Trucks | 7.8  | 69,427    |

|     |         |           |
|-----|---------|-----------|
| 5.2 | 265,196 | (377,395) |
| 5.1 | 929,764 | (145,846) |
| 6.6 | 58,746  | (10,681)  |

**Energy Supply**

|        |               |     |         |
|--------|---------------|-----|---------|
| 392.12 | Light Trucks  | 8.5 | 126,156 |
| 392.13 | Heavy Trucks  | 5.9 | 30,651  |
| 392.14 | Medium Trucks | 5.7 | 10,688  |

|     |        |          |
|-----|--------|----------|
| 6.6 | 97,957 | (28,199) |
| 3.7 | 19,222 | (11,429) |
| 3.3 | 6,188  | (4,500)  |

**GENERAL PLANT AMORTIZED**

|        |                                    |      |           |
|--------|------------------------------------|------|-----------|
| 391.01 | Office Furniture and Equipment     | 14.3 | 682,258   |
| 391.02 | Computer Equipment - Work Stations | 25   | 3,647,936 |
| 391.03 | Data Handling Equipment            | 14.3 | 85,778    |
| 391.04 | Computer Equipment - Mainframe     | 20   | 688,941   |
| 393.00 | Stores Equipment                   | 14.3 | 0         |
| 394.00 | Tools, Shop and Garage Equipment   | 14.3 | 1,416,957 |
| 395.00 | Laboratory Equipment               | 14.3 | 0         |
| 396.00 | Power Operated Equipment           | 14.3 | 1,190     |
| 397.00 | Communication Equipment            | 14.3 | 2,078,135 |
| 398.00 | Miscellaneous Equipment            | 14.3 | 63,665    |

|      |           |   |
|------|-----------|---|
| 14.3 | 682,258   | 0 |
| 25.0 | 3,647,936 | 0 |
| 14.3 | 85,778    | 0 |
| 20.0 | 688,941   | 0 |
| 14.3 | 0         | 0 |
| 14.3 | 1,416,957 | 0 |
| 14.3 | 0         | 0 |
| 14.3 | 1,190     | 0 |
| 14.3 | 2,078,135 | 0 |
| 14.3 | 63,665    | 0 |

| Totals                            | Current Expenses |
|-----------------------------------|------------------|
| TOTAL TRANS., DIST., & GEN. PLANT | 105,335,485      |
| TOTAL PRODUCTION PLANT            | 115,823,651      |
| FOSSIL DISMANTLEMENT              | 1,336,986        |
| TOTAL PLANT                       | 222,496,122      |

| Proposed Expenses | Difference  |
|-------------------|-------------|
| 99,586,876        | (5,748,609) |
| 125,818,334       | 9,994,684   |
| 1,186,094         | (150,892)   |
| 226,591,304       | 4,095,183   |

## Dismantlement Accruals

Attachment C

| PLANT                               | CURRENT          | COMPANY          | COMPANY          | COMMISSION       | COMMISSION       |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                     | ACCRUAL          | PROPOSED         | PROPOSED         | APPROVED         | APPROVED         |
|                                     | (01/01/2007)     | ACCRAUAL         | CHANGE IN        | ACCRAUAL*        | CHANGE           |
|                                     |                  |                  | ACCRAUAL         |                  | IN ACCRAUAL      |
|                                     |                  |                  |                  |                  |                  |
|                                     | \$               | \$               | \$               | \$               | \$               |
| Bayside Common                      | 47,476           | 128,849          | 81,373           | 130,996          | 83,520           |
| Bayside Unit #1 CT & PB             | 68,925           | 69,755           | 830              | 74,301           | 5,376            |
| Gannon Unit #5 Turbine              | 8,180            | 0                | (8,180)          | 0                | (8,180)          |
| Bayside Unit #2 CT & PB             | 91,555           | 95,037           | 3,482            | 101,744          | 10,189           |
| Gannon Unit #6 Turbine              | 9,781            | 0                | (9,781)          | 0                | (9,781)          |
| Bayside CT's 3-6                    | 0                | 19,235           | 19,235           | 20,438           | 20,438           |
| <b>Total Bayside Power Station</b>  | <b>225,917</b>   | <b>312,876</b>   | <b>86,959</b>    | <b>327,479</b>   | <b>101,562</b>   |
| Big Bend Common                     | 150,035          | 669,456          | 519,421          | 698,900          | 548,865          |
| Big Bend Unit #1 Turbine & Coal     | 118,595          | 91,598           | (26,997)         | 91,195           | (27,400)         |
| Big Bend Unit #2 Turbine & Coal     | 152,438          | 88,552           | (63,886)         | 89,603           | (62,835)         |
| Big Bend Unit #3 Turbine & Coal     | 158,925          | 103,406          | (55,519)         | 106,214          | (52,711)         |
| Big Bend Unit #4 Turbine & Coal     | 105,539          | 92,556           | (12,983)         | 102,098          | (3,441)          |
| Big Bend Unit #1 & #2 FGD           | 76,961           | 0                | (76,961)         | 0                | (76,961)         |
| Big Bend Unit #3 & #4 FGD           | 76,959           | 0                | (76,959)         | 0                | (76,959)         |
| Big Bend CT's                       | 25,185           | 6,024            | (19,161)         | 6,339            | (18,846)         |
| <b>Total Big Bend Power Station</b> | <b>864,637</b>   | <b>1,051,592</b> | <b>186,955</b>   | <b>1,094,349</b> | <b>229,712</b>   |
| Polk Common & Gasifier              | 113,229          | (297,594)        | (410,823)        | (283,233)        | (396,462)        |
| Polk Unit #1 Power Block            | (12,868)         | (3,105)          | 9,763            | (2,690)          | 10,178           |
| Polk Unit #2 Power Block            | 26,584           | (11,922)         | (38,506)         | (11,439)         | (38,023)         |
| Polk Unit #3 Power Block            | 28,882           | (6,263)          | (35,145)         | (5,680)          | (34,562)         |
| Polk Unit #4 Power Block            | 0                | (844)            | (844)            | 24               | 24               |
| Polk Unit #5 Power Block            | 0                | (844)            | (844)            | 24               | 24               |
| <b>Total Polk Power Station</b>     | <b>155,827</b>   | <b>(318,884)</b> | <b>(474,711)</b> | <b>(303,042)</b> | <b>(458,869)</b> |
| City of Tampa                       | 13,173           | 7,364            | (5,809)          | 7,356            | (5,817)          |
| Phillips Station                    | 77,432           | 64,972           | (12,460)         | 59,952           | (17,480)         |
| <b>Total Dismantlement Accrual</b>  | <b>1,336,986</b> | <b>1,117,920</b> | <b>(219,066)</b> | <b>1,186,094</b> | <b>(150,892)</b> |

\* The annual accrual is based on the Company's proposal updated to reflect the latest inflation forecast provided by Tampa Electric.

## Dismantlement Reserve Transfers

Attachment D

| Plant                        | Reserves as of<br>12/31/2011 | Proposed Reserve<br>Transfers | Restated Reserve as of<br>12/31/2011 |
|------------------------------|------------------------------|-------------------------------|--------------------------------------|
|                              | \$                           | \$                            | \$                                   |
| Bayside Common               | 588,682                      | 652,295                       | 1,240,977                            |
| Bayside Unit #1              | 1,021,400                    | 0                             | 1,021,400                            |
| Gannon Unit #5 ST            | 375,480                      | (375,480)                     | 0                                    |
| Bayside Unit #2              | 1,382,842                    | 0                             | 1,382,842                            |
| Gannon Unit #6 ST            | 276,815                      | (276,815)                     | 0                                    |
| Bayside CT's 3-6             | 0                            | 0                             | 0                                    |
| Total Bayside Power Station  | 3,645,219                    | 0                             | 3,645,219                            |
| Big Bend Common              | 7,843,827                    | 53,322,138                    | 61,165,965                           |
| Big Bend Unit #1             | 11,541,851                   | (10,350,000)                  | 1,191,851                            |
| Big Bend Unit #2             | 9,034,801                    | (8,000,000)                   | 1,034,801                            |
| Big Bend Unit #3             | 8,554,296                    | (8,200,000)                   | 354,296                              |
| Big Bend Unit #4             | 17,276,106                   | (17,000,000)                  | 276,106                              |
| Big Bend Unit #1 & #2 FGD    | 4,432,133                    | (4,432,133)                   | 0                                    |
| Big Bend Unit #3 & #4 FGD    | 4,432,129                    | (4,432,129)                   | 0                                    |
| Big Bend CT 4                | 907,876                      | (907,876)                     | 0                                    |
| Total Big Bend Power Station | 64,023,019                   | 0                             | 64,023,019                           |
| Polk Common                  | 7,022,054                    | 2,520,000                     | 9,542,054                            |
| Polk Unit #1                 | 2,740,043                    | (2,500,000)                   | 240,043                              |
| Polk Unit #2                 | 380,662                      | (11,000)                      | 369,662                              |
| Polk Unit #3                 | 243,268                      | (9,000)                       | 234,268                              |
| Polk Unit #4                 | 0                            | 0                             | 0                                    |
| Polk Unit #5                 | 0                            | 0                             | 0                                    |
| Total Polk Power Station     | 10,386,027                   | 0                             | 10,386,027                           |
| City of Tampa                | 136,539                      | 0                             | 136,539                              |
| Phillips Station             | 2,041,302                    | 0                             | 2,041,302                            |
| Gannon Common                | (11,220,481)                 | 19,629,324                    | 8,408,843                            |
| Gannon Unit #1               | 3,996,267                    | (3,444,015)                   | 552,252                              |
| Gannon Unit #2               | 5,802,548                    | (5,250,295)                   | 552,253                              |
| Gannon Unit #3               | 6,542,566                    | (4,678,901)                   | 1,863,665                            |
| Gannon Unit #4               | 7,742,176                    | (5,908,285)                   | 1,833,891                            |
| Gannon Unit #5               | 4,232,736                    | (2,184,611)                   | 2,048,125                            |
| Gannon Unit #6               | 600,667                      | 2,255,250                     | 2,855,917                            |
| Gannon CT's                  | 418,467                      | (418,467)                     | 0                                    |
| Total Gannon Power Station   | 18,114,947                   | 0                             | 18,114,947                           |
| Total Dismantling Reserves   | 98,347,053                   | 0                             | 98,347,053                           |