

State of Florida



## Public Service Commission

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

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

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**DATE:** July 19, 2007

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Gardner, Bulecza-Banks, Springer)  
Office of the General Counsel (Jaeger)

**RE:** Docket No. 070284-EI – Petition for approval of 2007 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

**AGENDA:** 07/31/07 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** None

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\070284.RCM.DOC

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### Case Background

Rule 25-6.0436(8)(a), Florida Administrative Code (F. A. C.), requires investor-owned utilities to file comprehensive depreciation studies at least once every four years. On April 27, 2007, Tampa Electric Company (Tampa Electric or company) filed its regular depreciation study in accordance with Rule 25-6.0436, F.A.C. Included with its depreciation study was Tampa Electric's Petition for Approval of its 2007 Depreciation Study (Petition). The Petition requests, among other things, preliminary implementation of Tampa Electric's proposed depreciation rates and fossil dismantlement accruals as of January 1, 2007, in accordance with Rule 25-6.0436(5), F.A.C.

Staff will bring a recommendation in November for the Commission's consideration of the final depreciation rates, which will have an implementation date of January 1, 2007. This

recommendation addresses Tampa Electric's request for preliminary implementation of the proposed depreciation rates and fossil dismantlement accruals.

The basis for Tampa Electric's request were changes made to its plant to address alleged violations of the Clean Air Act and Florida Laws. Tampa Electric was required to shut down and repower units at the Gannon Station on or before December 31, 2004, pursuant to a Consent Decree (CD) and Consent Final Judgment (CFJ) entered by the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (DEP), respectively. The CD and CFJ included provisions for environmental controls and pollution reductions from its coal-fired power plants. The emission reduction provisions required increased availability of flue gas desulfurization systems (scrubbers) to help reduce SO<sub>2</sub>, implementation of projects for No<sub>x</sub> reduction efforts at Big Bend Units 1 through 3, and the repowering of the coal-fired Gannon Power Station (Gannon) to natural gas. The repowered units were renamed Bayside Power Station (Bayside) with in-service dates of April 24, 2003, and January 15, 2004. The last depreciation study addressed the issues relating to the capital recovery due to the shutdown of Gannon and the construction of Bayside. The recovery of costs for the selective catalytic recovery technology (SCR) projects are through the Environmental Cost Recovery Clause.<sup>1</sup>

The company states the completed station has a total station capacity of about 1,800 megawatts (nominal) of efficient, natural gas-fueled, combined cycle electric generation, which uses 10 percent less fuel for the same amount of power output. Also, the repowering has reduced the facility's No<sub>x</sub> and SO<sub>2</sub> emissions by approximately 99 percent and particulate matter emissions by approximately 92 percent compared to 1998 levels. The current study proposes the final recovery of investment for Gannon, unitized depreciation rates for Bayside, and a change in capital recovery from a 50 to a 65-year period for Big Bend Units 1 through 4, which results in decreased depreciation rates for the steam plants and the fossil dismantlement accrual.

The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S).

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<sup>1</sup> Order No. PSC-00-2104-PAA-EI, issued November 6, 2000, in Docket No. 001186-EI, In re: Petition for Approval of new environmental programs for cost recovery through the Environmental Cost Recovery Clause by Tampa Electric Company.

### Discussion of Issues

**Issue 1:** Should Tampa Electric Company be allowed to implement its proposed depreciation rates, amortizations, recovery schedules, and provision for dismantlement on a preliminary basis?

**Recommendation:** Yes. Staff recommends that Tampa Electric be allowed to implement, on a preliminary basis, its proposed depreciation rates, amortizations, recovery schedules, and provision for dismantlement, as shown on Attachments A and C. The effect of this proposal is a decrease in depreciation expenses, as shown on Attachments B and C, for an estimated \$13 million for 2007. The resulting expenses should be subject to true-up when final action, expected to occur in November 2007, is taken by the Commission in this docket. (Gardner, Springer)

**Staff Analysis:** Tampa Electric requests, in accordance with Rule 25-6.0436, F. A. C., that it be allowed to implement its proposed depreciation rates, general plant amortizations, recovery schedules, and provision for dismantlement on a preliminary basis. The resulting expenses should be true-up when final Commission action is taken in November 2007.

Preliminary implementation does not, and should not, infer that, upon completion of the review of the company's filed study, staff will be in full agreement with the company's life, reserve, and salvage proposals. Staff believes that preliminary implementation of the rates, amortizations, recovery schedules, and dismantlement provision shown on Attachments A and C are likely to result in more appropriate expenses than retention of the currently effective rates and dismantlement accruals. The expenses should be subject to true-up when final Commission action is taken in this docket.

The following is a summary of the changes in estimated 2007 expenses resulting from the company-proposed rates, general plant amortizations, recovery schedules, and provision for dismantlement:

| FUNCTIONAL ACCOUNTS      | (\$ 000) |
|--------------------------|----------|
| Steam Production         | (6,059)  |
| Other Production         | (6,593)  |
| <b>Subtotal</b>          | (12,652) |
| Transmission             | 437      |
| Distribution             | 1,647    |
| Transportation Equipment | 32       |
| General Plant            | 75       |
| <b>Subtotal</b>          | 2,191    |
| Fossil Dismantlement     | (2,582)  |
| <b>Total Plant</b>       | (13,043) |

Staff's review of the company's study will include an analysis of the reserve position for each account and production site. Tampa Electric has proposed corrective reserve transfers for the preliminary implementation. The November 2007 recommendation will address the need for any further measures.

Tampa Electric has also proposed unitized depreciation rates for Bayside. In the last depreciation study,<sup>2</sup> a 4.3 percent whole life depreciation rate was approved upon the in-service date of the new units. Also, Gannon was placed on a four-year recovery schedule which was scheduled to end in 2004 or on the in-service date of Bayside.

Additionally, Tampa Electric proposes a 65-year lifespan for the coal fueled generating units at the Big Bend Station. The company states its proposed change in the capital recovery period is based upon the CD and CFJ which resulted in significant investments in control technology.

#### Fossil Dismantlement

By Order No. 24741, issued July 1, 1991, in Docket No. 890186-EI,<sup>3</sup> the Commission established the methodology for accruing the costs of fossil dismantlement. The methodology depends on three factors: 1) estimated base costs of dismantling the fossil-fueled plants, 2) projected inflation, and 3) a contingency factor.

Attachment C compares the current approved dismantlement accruals to Tampa Electric's proposed accruals. The current approved annual dismantlement accrual is \$3,876,903. The company's proposed annual dismantlement accrual is \$1,294,943, indicating a decrease of \$2,581,960. In the last study, the company's planning showed that the turbine-related assets for Gannon Units 3, 4, 5, and 6 would continue in-service as part of the repowering of Gannon into the Bayside Power Station. The common facilities and Units 5 and 6 would be included with Bayside Common and Units 1 and 2. Also, Units 3 and 4 would be placed in long term standby as the company continues to explore the possibilities available for repowering. As the current study shows, the company chose to retire the Gannon Common facilities and Units 3 and 4 turbine-related assets. This is shown on Attachment C under the company's 2007 proposed dismantlement accrual. Also, the accrual includes the company's proposal for reserve transfers among plant accounts. The Commission should true-up the dismantlement accrual when it issues its decision on the final depreciation rates in this docket.

Since the last study, Tampa Electric's base cost estimates for the various dismantlement activities have changed as shown below:

| FOSSIL DISMANTLEMENT BASE COST ESTIMATES |             |               |
|------------------------------------------|-------------|---------------|
| Account Title                            | 2004 Study  | Current Study |
|                                          | (\$)        | (\$)          |
| Big Bend                                 | 44,3237,000 | 32,773,883    |
| Gannon                                   | 40,657,999  | 33,030,968    |
| Hookers Point                            | 6,770,000   | 0             |
| Dinner Lake                              | 576,000     | 0             |

<sup>2</sup> Order No. PSC-04-0815-PAA-EI, issued August 20, 2004, in Docket No. 030409-EI, In re: Petition for approval of 2003 depreciation study by Tampa Electric Company.

<sup>3</sup> In re: Investigation of the ratemaking and accounting treatment for the dismantlement of fossil-fueled generating stations.

| FOSSIL DISMANTLEMENT BASE COST ESTIMATES |                    |                   |
|------------------------------------------|--------------------|-------------------|
| Account Title                            | 2004 Study         | Current Study     |
|                                          | (\$)               | (\$)              |
| Big Bend CTs                             | 622,000            | 668,855           |
| Gannon CT                                | 167,981            | 333,646           |
| Bayside                                  | 8,418,800          | 5,380,794         |
| Phillips Station                         | 1,262,000          | 1,420,392         |
| Polk                                     | 10,705,000         | 6,006,282         |
| City of Tampa                            | 210,501            | 236,357           |
| <b>Total</b>                             | <b>113,549,300</b> | <b>79,851,177</b> |

The company also proposes to decrease the current contingency factor from 15 to 10 percent. Staff notes that the company is indicating a decrease in the dismantlement base costs estimates for the current study. Staff's review of Tampa Electric's dismantlement study will include an analysis of the reasons for the dramatic decrease in base costs and the current contingency factor.

**Issue 2:** What should be the implementation date for the preliminary implementation of the new depreciation rates, amortizations, recovery schedules, and dismantlement accruals?

**Recommendation:** Staff recommends a January 1, 2007, implementation date for Tampa Electric's preliminary implementation of its proposed depreciation rates, amortizations, recovery schedules, and dismantlement provision. (Gardner)

**Staff Analysis:** Rule 25-6.0436(6)(b), F.A.C., requires that data submitted in a depreciation study, including plant and reserve balances or company planning involving estimates, must be brought to the effective date of the proposed rates. In this regard, Tampa Electric's data and calculations for revised depreciation rates, amortizations, recovery schedules, and dismantlement provision support a January 1, 2007, implementation date.

Depreciation rates and recovery schedules should theoretically be revised as soon as circumstances dictate the need for a revision. A January 1, 2007, implementation date is the earliest practicable date for utilizing the preliminary depreciation rates, amortizations, dismantlement provision, and recovery schedules. The submitted data for this depreciation and dismantlement study with resulting rates and expenses should be subject to true-up to support a January 1, 2007 implementation date when the Commission considers Tampa Electric's final depreciation rates in November 2007.

**Issue 3:** Should this docket be closed?

**Recommendation:** No. This docket should remain open, pending staff's review and analysis, and the Commission's final action concerning the depreciation rates, amortizations, recovery schedules, and dismantlement provision. (Jaeger)

**Staff Analysis:** The recommendation addresses the preliminary booking of Tampa Electric's proposed depreciation rates, amortizations, recovery schedules, and dismantlement provision beginning January 1, 2007, with a provision for a true-up of resulting expenses when final Commission action is taken. The issue regarding the appropriate depreciation, recovery schedules, or dismantlement factors cannot be resolved until staff has thoroughly reviewed and analyzed the company's filed study. Staff expects to bring a recommendation to the Commission for final action on this request in November 2007. The Order resulting from staff's recommendation on the final depreciation rates, amortizations, recovery schedules, and dismantlement provision will be issued as Proposed Agency Action affording a point of entry for substantially affected persons.

| Comparison of Rates and Components |                              |                        |                    |                     |                        |         |                    |                     |
|------------------------------------|------------------------------|------------------------|--------------------|---------------------|------------------------|---------|--------------------|---------------------|
| Account Number                     | Account Title                | Current                |                    |                     | Company/Staff Proposed |         |                    |                     |
|                                    |                              | Average Remaining Life | Future Net Salvage | Remaining Life Rate | Average Remaining Life | Reserve | Future Net Salvage | Remaining Life Rate |
|                                    |                              | (Yrs.)                 | (%)                | (%)                 | (Yrs.)                 | (%)     | (%)                | (%)                 |
| <b>STEAM PRODUCTION</b>            |                              |                        |                    |                     |                        |         |                    |                     |
| <b>BIG BEND STATION</b>            |                              |                        |                    |                     |                        |         |                    |                     |
| 31140                              | Common                       | 28.0                   | (2)                | 2.3                 | 33.4                   | 37.22   | (5)                | 2.0                 |
| 31240                              | Common                       | 25.0                   | (8)                | 2.6                 | 28.0                   | 39.04   | (11)               | 2.6                 |
| 31440                              | Common                       | 29.0                   | (3)                | 1.8                 | 34.5                   | 45.37   | (8)                | 1.8                 |
| 31540                              | Common                       | 13.6                   | (7)                | 3.8                 | 14.0                   | 64.76   | (7)                | 3.0                 |
| 31640                              | Common                       | 15.6                   | (7)                | 2.5                 | 17.1                   | 56.69   | (10)               | 3.1                 |
| 31141                              | Unit No. 1                   | 17.0                   | (1)                | 2.2                 | 26.9                   | 63.69   | (2)                | 1.4                 |
| 31241                              | Unit No. 1                   | 15.4                   | (3)                | 3.8                 | 22.7                   | 32.38   | (7)                | 3.3                 |
| 31441                              | Unit No. 1                   | 14.7                   | (4)                | 2.8                 | 22.9                   | 49.66   | (6)                | 2.5                 |
| 31541                              | Unit No. 1                   | 13.2                   | (6)                | 3.3                 | 16.7                   | 66.79   | (8)                | 2.5                 |
| 31641                              | Unit No. 1                   | 16.7                   | (1)                | 2.2                 | 26.4                   | 70.22   | (2)                | 1.2                 |
| 31142                              | Unit No. 2                   | 20.0                   | (1)                | 2.4                 | 29.9                   | 53.61   | (2)                | 1.6                 |
| 31242                              | Unit No. 2                   | 17.6                   | (5)                | 4.1                 | 25.2                   | 29.54   | (9)                | 3.1                 |
| 31442                              | Unit No. 2                   | 17.3                   | (5)                | 3.1                 | 24.3                   | 46.96   | (8)                | 2.5                 |
| 31542                              | Unit No. 2                   | 16.5                   | (6)                | 3.2                 | 18.7                   | 61.32   | (8)                | 2.5                 |
| 31642                              | Unit No. 2                   | 18.8                   | (5)                | 4.6                 | 21.1                   | 71.03   | (14)               | 2.0                 |
| 31143                              | Unit No. 3                   | 23.0                   | (1)                | 1.9                 | 31.8                   | 62.03   | (1)                | 1.2                 |
| 31243                              | Unit No. 3                   | 18.8                   | (5)                | 3.1                 | 24.                    | 46.80   | (9)                | 2.6                 |
| 31443                              | Unit No. 3                   | 16.2                   | (9)                | 2.4                 | 18.4                   | 76.18   | (9)                | 1.8                 |
| 31543                              | Unit No. 3                   | 14.6                   | (7)                | 3.1                 | 16.2                   | 66.58   | (7)                | 2.5                 |
| 31643                              | Unit No. 3                   | 22.0                   | (2)                | 2.5                 | 26.6                   | 34.32   | (6)                | 2.7                 |
| 31144                              | Unit No.4                    | 31.0                   | (1)                | 1.9                 | 40.4                   | 45.12   | (1)                | 1.4                 |
| 31244                              | Unit No.4                    | 24.0                   | (9)                | 2.6                 | 25.6                   | 50.04   | (10)               | 2.4                 |
| 31444                              | Unit No.4                    | 26.0                   | (8)                | 2.3                 | 28.4                   | 52.64   | (9)                | 2.0                 |
| 31544                              | Unit No.4                    | 21.0                   | (6)                | 2.7                 | 22.9                   | 57.54   | (6)                | 2.1                 |
| 31644                              | Unit No.4                    | 22.0                   | (4)                | 2.2                 | 24.8                   | 62.20   | (5)                | 1.7                 |
| 31146                              | Unit No. 1 & 2 FGD System    | 24.0                   | (3)                | 3.5                 | 28.5                   | 29.53   | (3)                | 2.6                 |
| 31246                              | Unit No. 1 & 2 FGD System    | 21.0                   | (2)                | 4.1                 | 26.8                   | 28.40   | (6)                | 2.9                 |
| 31546                              | Unit No. 1 & 2 FGD System    | 19.0                   | (2)                | 4.3                 | 22.3                   | 32.54   | (6)                | 3.3                 |
| 31646                              | Unit No. 1 & 2 FGD System    | 19.8                   | (1)                | 4.1                 | 26.7                   | 31.88   | (5)                | 2.5                 |
| 31145                              | Unit No. 3 & 4 FGD System    | 29.0                   | (1)                | 2.0                 | 36.5                   | 46.81   | (2)                | 1.5                 |
| 31245                              | Unit No. 3 & 4 FGD System    | 25.0                   | (7)                | 2.8                 | 29.3                   | 41.53   | (9)                | 2.3                 |
| 31545                              | Unit No. 3 & 4 FGD System    | 23.0                   | (6)                | 2.6                 | 24.7                   | 54.60   | 7                  | 2.1                 |
| 31645                              | Unit No. 3 & 4 FGD System    | 28.0                   | (5)                | 2.4                 | 30.3                   | 45.15   |                    | 2.0                 |
| 31647                              | Big Bend Amortizable Tools   |                        |                    | 14.3                |                        |         |                    | 14.3                |
| 31100.01 & 31601                   | Misc. Structures & Equipment | 11.4                   | (3)                | 3.5                 | 13.0                   | 56.88   | (3)                | 3.5                 |
| 31617                              | Misc. Production Plant       |                        |                    | 14.3                |                        |         |                    | 14.3                |



| Comparison of Rates and Components |                              |                                  |                           |                            |                                  |                |                           |                            |
|------------------------------------|------------------------------|----------------------------------|---------------------------|----------------------------|----------------------------------|----------------|---------------------------|----------------------------|
| Account Number                     | Account Title                | Current                          |                           |                            | Company/Staff Proposed           |                |                           |                            |
|                                    |                              | Average Remaining Life<br>(Yrs.) | Future Net Salvage<br>(%) | Remaining Life Rate<br>(%) | Average Remaining Life<br>(Yrs.) | Reserve<br>(%) | Future Net Salvage<br>(%) | Remaining Life Rate<br>(%) |
| <b>OTHER PRODUCTION</b>            |                              |                                  |                           |                            |                                  |                |                           |                            |
| <b>BIG BEND STATION</b>            |                              |                                  |                           |                            |                                  |                |                           |                            |
| 34141                              | Combustion Turbine No. 1     | 6.5                              | 0                         | 4.4                        | 1.3                              | 100.00         | 0                         | 0                          |
| 34241                              | Combustion Turbine No. 1     | 6.4                              | 0                         | 1.0                        | 2.4                              | 100.00         | 0                         | 0                          |
| 34341                              | Combustion Turbine No. 1     | 3.1                              | (1)                       | 1.3                        | 1.4                              | 100.18         | 0                         | 0                          |
| 34541                              | Combustion Turbine No. 1     | 2.7                              | (2)                       | 2.9                        | 0.6                              | 100.43         | 0                         | 0                          |
| 34641                              | Combustion Turbine No. 1     | 6.4                              | 0                         | 1.9                        | 1.2                              | 100.04         | 0                         | 0                          |
| 34142                              | Combustion Turbine No. 2 & 3 | 9.3                              | 0                         | 0.1                        | 2.9                              | 100.00         | (0)                       | 0.0                        |
| 34242                              | Combustion Turbine No. 2 & 3 | 8.7                              | (1)                       | 3.6                        | 7.1                              | 100.00         | (0)                       | 0.0                        |
| 34342                              | Combustion Turbine No. 2 & 3 | 8.8                              | (3)                       | 3.2                        | 5.6                              | 77.23          | (2)                       | 4.3                        |
| 34542                              | Combustion Turbine No. 2 & 3 | 8.1                              | (3)                       | 0.7                        | 3.3                              | 101.05         | (1)                       | 0.0                        |
| 34642                              | Combustion Turbine No. 2 & 3 | 10.2                             | 0                         | 0.0                        | 1.0                              | 0.00           | (0)                       | 0.0                        |
| <b>BAYSIDE POWER STATION</b>       |                              |                                  |                           |                            |                                  |                |                           |                            |
| 34130                              | Bayside Common               | 26.0                             | (11)                      | 4.3                        | 34.6                             | 21.37          | (2)                       | 2.3                        |
| 34230                              | Bayside Common               | 26.0                             | (11)                      | 4.3                        | 33.9                             | 19.32          | (4)                       | 2.5                        |
| 34330                              | Bayside Common               | 26.0                             | (11)                      | 4.3                        | 33.2                             | 14.06          | (11)                      | 2.9                        |
| 34530                              | Bayside Common               | 26.0                             | (11)                      | 4.3                        | 19.8                             | 24.88          | (9)                       | 4.3                        |
| 34630                              | Bayside Common               | 26.0                             | (11)                      | 4.3                        | 21.4                             | 34.05          | (6)                       | 3.4                        |
| 341131                             | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 35.5                             | 17.84          | (1)                       | 2.3                        |
| 34231                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 32.7                             | 13.06          | (7)                       | 2.9                        |
| 34331                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 22.2                             | 18.28          | (7)                       | 4.0                        |
| 34531                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 29.9                             | 15.23          | (11)                      | 3.2                        |
| 34631                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 32.4                             | 21.35          | (3)                       | 2.5                        |
| 34132                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 36.8                             | 14.52          | (1)                       | 2.3                        |
| 34232                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 33.8                             | 8.76           | (7)                       | 2.9                        |
| 34332                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 23.8                             | 14.57          | (7)                       | 3.9                        |
| 34532                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 31.9                             | 10.58          | (10)                      | 3.1                        |
| 34632                              | Bayside Unit No.1            | 26.0                             | (11)                      | 4.3                        | 32.8                             | 18.93          | (3)                       | 2.6                        |
| <b>GANNON POWER STATION</b>        |                              |                                  |                           |                            |                                  |                |                           |                            |
| 31657                              | Gannon Amortizable Tools     |                                  |                           | 14.3                       |                                  |                |                           | 14.3                       |

| Comparison of Rates and Components |                        |                        |                    |                     |                        |         |                    |                     |
|------------------------------------|------------------------|------------------------|--------------------|---------------------|------------------------|---------|--------------------|---------------------|
| Account Number                     | Account Title          | Current                |                    |                     | Company/Staff Proposed |         |                    |                     |
|                                    |                        | Average Remaining Life | Future Net Salvage | Remaining Life Rate | Average Remaining Life | Reserve | Future Net Salvage | Remaining Life Rate |
|                                    |                        | (Yrs)                  | (%)                | (%)                 | (Yrs)                  | (%)     | (%)                | (%)                 |
| <b>POLK POWER STATION</b>          |                        |                        |                    |                     |                        |         |                    |                     |
| 34180                              | Common                 | 39.0                   | (2)                | 2.1                 | 32.8                   | 26.10   | (1)                | 2.3                 |
| 34280                              | Common                 | 29.0                   | (3)                | 2.3                 | 27.9                   | 43.19   | (4)                | 2.2                 |
| 34380                              | Common                 | 31.0                   | (2)                | 2.4                 | 33.1                   | 35.17   | (2)                | 2.0                 |
| 34580                              | Common                 | 31.0                   | (5)                | 2.5                 | 28.4                   | 34.03   | (3)                | 2.4                 |
| 34680                              | Common                 | 33.0                   | (3)                | 2.2                 | 30.2                   | 36.91   | (3)                | 2.2                 |
| 34181                              | Unit No. 1             | 32.0                   | (1)                | 2.8                 | 31.9                   | 20.25   | (1)                | 2.5                 |
| 34281                              | Unit No. 1             | 25.0                   | (9)                | 3.3                 | 23.3                   | 30.75   | (9)                | 3.4                 |
| 34381                              | Unit No. 1             | 14.6                   | (13)               | 5.9                 | 11.5                   | 35.16   | (9)                | 6.4                 |
| 34581                              | Unit No. 1             | 24.0                   | (7)                | 3.4                 | 21.8                   | 35.69   | (4)                | 3.1                 |
| 34681                              | Unit No. 1             | 28.0                   | (4)                | 3.3                 | 28.7                   | 7.58    | (4)                | 3.4                 |
| 34182                              | Unit No. 2             | 34.0                   | (1)                | 2.7                 | 31.3                   | 17.30   | (1)                | 2.7                 |
| 34282                              | Unit No. 2             | 31.0                   | 3                  | 2.9                 | 28.2                   | 21.78   | (3)                | 2.9                 |
| 34382                              | Unit No. 2             | 17.4                   | (10)               | 5.2                 | 11.2                   | 23.83   | (9)                | 7.6                 |
| 34582                              | Unit No. 2             | 32.0                   | (2)                | 2.9                 | 29.1                   | 17.90   | (2)                | 2.9                 |
| 34682                              | Unit No. 2             | 33.0                   | (2)                | 2.8                 | 30.4                   | 18.00   | (4)                | 2.8                 |
| 34183                              | Unit No. 3             | 38.0                   | (1)                | 2.6                 | 34.7                   | 10.62   | (1)                | 2.6                 |
| 34283                              | Unit No. 3             | 33.0                   | (3)                | 2.9                 | 30.3                   | 16.21   | (3)                | 2.9                 |
| 34383                              | Unit No. 3             | 19.8                   | (10)               | 5.2                 | 14.7                   | 22.94   | (14)               | 6.2                 |
| 34583                              | Unit No. 3             | 32.0                   | (3)                | 3.0                 | 29.1                   | 16.13   | (3)                | 3.0                 |
| 34683                              | Unit No. 3             | 36.0                   | (2)                | 2.8                 | 32.5                   | 9.47    | (3)                | 2.9                 |
| 34687                              | Polk Amortizable Tools |                        |                    | 14.3                |                        |         |                    | 14.3                |
| <b>PHILLIPS STATION</b>            |                        |                        |                    |                     |                        |         |                    |                     |
| 34128                              | Phillips Station       | 8.2                    | (7)                | 3.7                 | 5.2                    | 87.17   | (5)                | 3.4                 |
| 34228                              | Phillips Station       | 8.2                    | (7)                | 3.3                 | 5.2                    | 88.28   | (4)                | 3.0                 |
| 34328                              | Phillips Station       | 9.0                    | (5)                | 3.1                 | 5.8                    | 81.69   | (3)                | 3.7                 |
| 34528                              | Phillips Station       | 7.7                    | (7)                | 4.0                 | 4.8                    | 87.60   | (5)                | 3.5                 |
| 34628                              | Phillips Station       | 8.2                    | (7)                | 3.9                 | 5.4                    | 81.45   | (4)                | 4.2                 |
| 34390                              | City Of Tampa          | 26.0                   | (11)               | 4.3                 | 18.5                   | 25.03   | (8)                | 4.5                 |

| Comparison of Rates and Components |                                 |                        |                    |                     |                        |         |                    |                     |
|------------------------------------|---------------------------------|------------------------|--------------------|---------------------|------------------------|---------|--------------------|---------------------|
| Account Number                     | Account Title                   | Current                |                    |                     | Company/Staff Proposed |         |                    |                     |
|                                    |                                 | Average Remaining Life | Future Net Salvage | Remaining Life Rate | Average Remaining Life | Reserve | Future Net Salvage | Remaining Life Rate |
|                                    |                                 | (Yrs)                  | (%)                | (%)                 | (Yrs)                  | (%)     | (%)                | (%)                 |
| <b>TRANSMISSION PLANT</b>          |                                 |                        |                    |                     |                        |         |                    |                     |
| 350.1                              | Land Rights                     | 27.0                   | 0                  | 2.6                 | 27.7                   | 37.63   | 0                  | 2.3                 |
| 352.00                             | Structures & Improvements       | 37.0                   | (3)                | 2.2                 | 35.9                   | 21.95   | (3)                | 2.3                 |
| 353.00                             | Station Equipment               | 32.0                   | (5)                | 2.5                 | 31.9                   | 24.48   | (5)                | 2.5                 |
| 354.0                              | Towers & Fixtures               | 15.5                   | (15)               | 2.6                 | 12.5                   | 83.21   | (15)               | 2.5                 |
| 355.00                             | Poles and Fixtures              | 23.0                   | (30)               | 3.8                 | 23.5                   | 37.60   | (40)               | 4.4                 |
| 356.00                             | OH Conductors & Devices         | 22.0                   | (20)               | 3.9                 | 23.5                   | 42.22   | (30)               | 3.7                 |
| 356.01                             | Clearing Rights-of-Way          | 24.0                   | 0                  | 2.0                 | 21.7                   | 57.32   | 0                  | 2.0                 |
| 357.0                              | Underground Conduit             | 35.0                   | 0                  | 1.7                 | 31.5                   | 45.92   | 0                  | 1.7                 |
| 358.0                              | UG Conductors & Devices         | 28.0                   | 0                  | 2.6                 | 27.2                   | 33.78   | 0                  | 2.4                 |
| 359.0                              | Roads and Trails                | 37.0                   | 0                  | 2.1                 | 35.1                   | 23.62   | 0                  | 2.2                 |
| <b>DISTRIBUTION PLANT</b>          |                                 |                        |                    |                     |                        |         |                    |                     |
| 361.0                              | Structures & Improvements       | 28.0                   | (3)                | 2.6                 | 29.7                   | 30.72   | (3)                | 2.4                 |
| 362.0                              | Station Equipment               | 26.0                   | (10)               | 2.9                 | 29.6                   | 36.71   | (10)               | 2.5                 |
| 364.0                              | Poles, Towers & Fixtures        | 23.0                   | (35)               | 4.0                 | 22.2                   | 45.37   | (50)               | 4.7                 |
| 365.0                              | OH Conductors & Devices         | 20.0                   | (20)               | 3.4                 | 20.2                   | 53.61   | (20)               | 3.3                 |
| 366.0                              | Underground Conduit             | 38.5                   | 0                  | 2.0                 | 38.4                   | 23.5    | 0                  | 2.0                 |
| 367.0                              | UG Conductors & Devices         | 23.0                   | 0                  | 3.2                 | 22.7                   | 26.96   | 0                  | 3.2                 |
| 368.0                              | Line Transformers               | 7.2                    | 30                 | 4.1                 | 6.9                    | 41.19   | 30                 | 4.2                 |
| 369.01                             | Overhead Services               | 25.0                   | (20)               | 3.2                 | 24.1                   | 45.48   | (20)               | 3.1                 |
| 369.02                             | Underground Services            | 25.0                   | (15)               | 3.2                 | 24.2                   | 35.34   | (15)               | 3.3                 |
| 370.0                              | Meters                          | 14.2                   | 0                  | 4.7                 | 17.8                   | 17.99   | (30)               | 6.3                 |
| 373.0                              | Street Lighting & Signal System | 11.4                   | 0                  | 5.3                 | 10.9                   | 42.79   | 0                  | 5.2                 |
| <b>GENERAL PLANT</b>               |                                 |                        |                    |                     |                        |         |                    |                     |
| 390.0                              | Structures & Improvements       | 26.0                   | (20)               | 3.5                 | 23.5                   | 35.82   | (20)               | 3.6                 |
| 397.25                             | Communication Equipment- Fiber  | 10.6                   | (10)               | 5.8                 | 10.0                   | 52.03   | (10)               | 5.8                 |
| <b>TRANSPORTATION EQUIPMENT</b>    |                                 |                        |                    |                     |                        |         |                    |                     |
| <b>ENERGY DELIVERY</b>             |                                 |                        |                    |                     |                        |         |                    |                     |
| 392.02                             | Light Trucks                    | 5.4                    | 15                 | 8.8                 | 4.0                    | 46.01   | 15                 | 9.7                 |
| 392.03                             | Heavy Trucks                    | 7.2                    | 12                 | 6.8                 | 7.1                    | 42.69   | 12                 | 6.4                 |
| 392.04                             | Medium Trucks                   | 9.7                    | 10                 | 0.2                 | 5.1                    | 45.38   | 15                 | 7.8                 |
| <b>ENERGY SUPPLY</b>               |                                 |                        |                    |                     |                        |         |                    |                     |
| 392.12                             | Light Trucks                    | 4.7                    | 15                 | 9.4                 | 5.4                    | 38.97   | 15                 | 8.5                 |
| 392.13                             | Heavy Trucks                    | 7.8                    | 12                 | 4.8                 | 5.4                    | 56.36   | 12                 | 5.9                 |
| 392.14                             | Medium Trucks                   | 8.5                    | 15                 | 4.1                 | 7.8                    | 40.61   | 15                 | 5.7                 |
| <b>GENERAL PLANT AMORTIZED</b>     |                                 |                        |                    |                     |                        |         |                    |                     |
| 391.01                             | Office Furniture & Equipment    | 7 year Amortizable     |                    |                     | 7 year Amortizable     |         |                    |                     |
| 391.02                             | Computer Equipment-Work Station | 4 year Amortizable     |                    |                     | 4 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 & 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     |         |                    |                     |

| Comparison of Expenses        |                              |                       |                     |                        |                     |                        |
|-------------------------------|------------------------------|-----------------------|---------------------|------------------------|---------------------|------------------------|
| Account Number                | Account Title                | Current               |                     | Company/Staff Proposed |                     |                        |
|                               |                              | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%)  | Annual Expense (\$) | Change In Expense (\$) |
| <b>STEAM PRODUCTION PLANT</b> |                              |                       |                     |                        |                     |                        |
| <b>BIG BEND STATION</b>       |                              |                       |                     |                        |                     |                        |
| 31140                         | Common                       | 2.3                   | 1,437,795           | 2.0                    | 1,250,256           | (187,539)              |
| 31240                         | Common                       | 2.6                   | 2,174,298           | 2.6                    | 2,174,298           | 0                      |
| 31440                         | Common                       | 1.8                   | 83,798              | 1.8                    | 83,798              | 0                      |
| 31540                         | Common                       | 3.8                   | 605,042             | 3.0                    | 477,665             | (127,377)              |
| 31640                         | Common                       | 2.5                   | 125,039             | 3.1                    | 155,049             | 30,010                 |
| 31141                         | Unit No. 1                   | 2.2                   | 177,377             | 1.4                    | 112,876             | (64,501)               |
| 31241                         | Unit No. 1                   | 3.8                   | 3,309,774           | 3.3                    | 2,874,277           | (435,497)              |
| 31441                         | Unit No. 1                   | 2.8                   | 920,504             | 2.5                    | 821,878             | (98,626)               |
| 31541                         | Unit No. 1                   | 3.3                   | 272,212             | 2.5                    | 206,221             | (65,991)               |
| 31641                         | Unit No. 1                   | 2.2                   | 14,201              | 1.2                    | 7,746               | (6,455)                |
| 31142                         | Unit No. 2                   | 2.4                   | 191,464             | 1.6                    | 127,642             | (63,822)               |
| 31242                         | Unit No. 2                   | 4.1                   | 3,013,069           | 3.1                    | 2,278,174           | (734,895)              |
| 31442                         | Unit No. 2                   | 3.1                   | 994,552             | 2.5                    | 802,058             | (192,494)              |
| 31542                         | Unit No. 2                   | 3.2                   | 279,015             | 2.5                    | 217,980             | (61,035)               |
| 31642                         | Unit No. 2                   | 4.6                   | 24,837              | 2.0                    | 10,799              | (14,038)               |
| 31143                         | Unit No. 3                   | 1.9                   | 290,558             | 1.2                    | 183,510             | (107,048)              |
| 31243                         | Unit No. 3                   | 3.1                   | 3,129,864           | 2.6                    | 2,625,047           | (504,817)              |
| 31443                         | Unit No. 3                   | 2.4                   | 729,337             | 1.8                    | 547,003             | (182,334)              |
| 31543                         | Unit No. 3                   | 3.1                   | 607,924             | 2.5                    | 490,262             | (117,662)              |
| 31643                         | Unit No. 3                   | 2.5                   | 33,174              | 2.7                    | 35,828              | 2,654                  |
| 31144                         | Unit No. 4                   | 1.9                   | 1,156,333           | 1.4                    | 852,035             | (304,298)              |
| 31244                         | Unit No. 4                   | 2.6                   | 5,318,035           | 2.4                    | 908,956             | (409,079)              |
| 31444                         | Unit No. 4                   | 2.3                   | 1,884,479           | 2.0                    | 1,638,677           | (245,802)              |
| 31544                         | Unit No. 4                   | 2.7                   | 1,006,200           | 2.1                    | 782,600             | (223,600)              |
| 31644                         | Unit No. 4                   | 2.2                   | 118,981             | 1.7                    | 91,40               | (27,041)               |
| 31146                         | Unit No.1 & 2 FGD System     | 3.5                   | 444,513             | 2.6                    | 330,210             | (114,303)              |
| 31246                         | Unit No.1 & 2 FGD System     | 4.1                   | 2,464,405           | 2.9                    | 1,74,3116           | (721,289)              |
| 31546                         | Unit No.1 & 2 FGD System     | 4.3                   | 367,059             | 3.3                    | 281,697             | (85,362)               |
| 31646                         | Unit No.1 & 2 FGD System     | 4.1                   | 72,976              | 2.5                    | 44,496              | (28,478)               |
| 31145                         | Unit No. 3 & 4 FGD System    | 2.0                   | 439,093             | 1.5                    | 329,320             | (109,773)              |
| 31245                         | Unit No. 3 & 4 FGD System    | 2.8                   | 4,261,305           | 2.3                    | 3,500,357           | (760,948)              |
| 31545                         | Unit No. 3 & 4 FGD System    | 2.6                   | 488,898             | 2.1                    | 394,880             | (94,018)               |
| 31645                         | Unit No. 3 & 4 FGD System    | 2.4                   | 17,946              | 2.0                    | 14,955              | (2,991)                |
| 31647                         | Big Bend Amortizable Tools   | 14.3                  | 354,586             | 14.3                   | 354,586             | 0                      |
| 31100-01 & 31601              | Misc. Structures & Equipment | 3.5                   | 54,880              | 3.5                    | 54,880              | 0                      |
| 31617                         | Misc. Production Plant       | 14.3                  | 161,710             | 14.3                   | 161,710             | 0                      |
| <b>Total Big Bend Station</b> |                              |                       | <b>37,025,233</b>   |                        | <b>30,966,782</b>   | <b>(6,058,449)</b>     |

| Comparison of Expenses             |                             |                       |                     |                        |                     |                        |
|------------------------------------|-----------------------------|-----------------------|---------------------|------------------------|---------------------|------------------------|
| Account Number                     | Account Title               | Current               |                     | Company/Staff Proposed |                     |                        |
|                                    |                             | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%)  | Annual Expense (\$) | Change in Expense (\$) |
| <b>OTHER PRODUCTION</b>            |                             |                       |                     |                        |                     |                        |
| <b>BIG BEND STATION</b>            |                             |                       |                     |                        |                     |                        |
| 34141                              | Combustion Turbine No. 1    | 4.4                   | 5,017               | 0                      | 0                   | (5,017)                |
| 34241                              | Combustion Turbine No. 1    | 1.0                   | 1,137               | 0                      | 0                   | (1,137)                |
| 34341                              | Combustion Turbine No. 1    | 1.3                   | 16,574              | 0                      | 0                   | (16,574)               |
| 34541                              | Combustion Turbine No. 1    | 2.9                   | 7,238               | 0                      | 0                   | (7,238)                |
| 34641                              | Combustion Turbine No. 1    | 1.9                   | 50                  | 0                      | 0                   | (50)                   |
| 34142                              | Combustion Turbine No.2 & 3 | 0.1                   | 1,612               | 0                      | 0                   | (1,612)                |
| 34242                              | Combustion Turbine No.2 & 3 | 3.6                   | 65,322              | 0                      | 0                   | (65,322)               |
| 34342                              | Combustion Turbine No.2 & 3 | 3.2                   | 561,356             | 4.3                    | 754,322             | 192,966                |
| 34542                              | Combustion Turbine No.2 & 3 | 0.7                   | 18,099              | 0                      | 0                   | (18,099)               |
| <b>Total Big Bend Station</b>      |                             |                       | <b>676,405</b>      |                        | <b>754,322</b>      | <b>77,917</b>          |
| <b>GANNON POWER STATION</b>        |                             |                       |                     |                        |                     |                        |
| 31133                              | Unit No. 3                  | 5.0                   | 38,691              | 0                      | 0                   | (38,691)               |
| 31178                              | Unit No. 3                  | 5.0                   | 1,3992              | 0                      | 0                   | (13,992)               |
| 31433                              | Unit No. 3                  | 4.0                   | 482,648             | 0                      | 0                   | (482,648)              |
| 31533                              | Unit No. 3                  | 3.3                   | 37,087              | 0                      | 0                   | (37,087)               |
| 31633                              | Unit No. 3                  | 3.5                   | 1,431               | 0                      | 0                   | (1,431)                |
| 34333                              | Unit No. 3                  | 4.3                   | 4,051               | 0                      | 0                   | (4,051)                |
| 31134                              | Unit No. 4                  | 4.3                   | 21,303              | 0                      | 0                   | (21,303)               |
| 31179                              | Unit No. 4                  | 4.3                   | 15,873              | 0                      | 0                   | (15,873)               |
| 31434                              | Unit No. 4                  | 3.7                   | 330,772             | 0                      | 0                   | (330,772)              |
| 31534                              | Unit No. 4                  | 4.5                   | 44,396              | 0                      | 0                   | (44,396)               |
| 31634                              | Unit No. 4                  | 5.4                   | 2,929               | 0                      | 0                   | (2,929)                |
| <b>Total Gannon Power Station</b>  |                             |                       | <b>993,173</b>      |                        | <b>0</b>            | <b>(993,173)</b>       |
| <b>BAYSIDE POWER STATION</b>       |                             |                       |                     |                        |                     |                        |
| 34130                              | Bayside Common              | 4.3                   | 2,763,893           | 2.3                    | 1,478,362           | (1,285,531)            |
| 34230                              | Bayside Common              | 4.3                   | 745,660             | 2.5                    | 433,523             | (312,137)              |
| 34330                              | Bayside Common              | 4.3                   | 473,103             | 2.9                    | 319,069             | (154,034)              |
| 34530                              | Bayside Common              | 4.3                   | 489,574             | 4.3                    | 489,574             | 0                      |
| 34630                              | Bayside Common              | 4.3                   | 318,630             | 3.4                    | 251,940             | (66,690)               |
| 34131                              | Bayside Unit No. 1          | 4.3                   | 945,331             | 2.3                    | 505,642             | (439,689)              |
| 34231                              | Bayside Unit No. 1          | 4.3                   | 3,033,511           | 2.9                    | 2,045,856           | (987,655)              |
| 34331                              | Bayside Unit No. 1          | 4.3                   | 6,734,052           | 4.0                    | 6,264,235           | (469,817)              |
| 34531                              | Bayside Unit No. 1          | 4.3                   | 1,398,350           | 3.2                    | 1,040,632           | (357,718)              |
| 34631                              | Bayside Unit No. 1          | 4.3                   | 54,081              | 2.5                    | 31,443              | (22,638)               |
| 34132                              | Bayside Unit No. 2          | 4.3                   | 1,118,747           | 2.3                    | 598,400             | (520,347)              |
| 34232                              | Bayside Unit No. 2          | 4.3                   | 4,071,565           | 2.9                    | 2,745,939           | (1,325,626)            |
| 34331                              | Bayside Unit No. 2          | 4.3                   | 9,423,413           | 3.9                    | 8,546,817           | (876,596)              |
| 34531                              | Bayside Unit No. 2          | 4.3                   | 1,736,407           | 3.1                    | 1,251,829           | (484,578)              |
| 34631                              | Bayside Unit No. 2          | 4.3                   | 65,264              | 2.6                    | 39,462              | (25,802)               |
| <b>Total Bayside Power Station</b> |                             |                       | <b>33,371,581</b>   |                        | <b>26,042,723</b>   | <b>(7,328,858)</b>     |
| <b>POLK POWER STATION</b>          |                             |                       |                     |                        |                     |                        |
| 34180                              | Common                      | 2.1                   | 1,354,336           | 2.3                    | 1,483,321           | 128,985                |
| 34280                              | Common                      | 2.3                   | 35,144              | 2.2                    | 33,616              | (1,528)                |
| 34380                              | Common                      | 2.4                   | 58,326              | 2.0                    | 48,605              | (9,721)                |
| 34580                              | Common                      | 2.5                   | 41,239              | 2.4                    | 39,589              | (1,650)                |
| 34680                              | Common                      | 2.2                   | 17,705              | 2.2                    | 17,705              | 0                      |
| 34181                              | Unit No. 1                  | 2.8                   | 1,321,961           | 2.5                    | 1,180,323           | (141,638)              |
| 34281                              | Unit No. 1                  | 3.3                   | 7,521,332           | 3.4                    | 7,749,251           | 227,919                |
| 34381                              | Unit No. 1                  | 5.9                   | 7,552,518           | 6.4                    | 8,192,562           | 640,044                |
| 34581                              | Unit No. 1                  | 3.4                   | 1,979,742           | 3.1                    | 1,805,059           | (174,683)              |
| 34681                              | Unit No. 1                  | 3.3                   | 157,232             | 3.4                    | 161,996             | 4,764                  |

| Comparison of Expenses          |                                  |                       |                     |                        |                     |                        |
|---------------------------------|----------------------------------|-----------------------|---------------------|------------------------|---------------------|------------------------|
| Account Number                  | Account Title                    | Current               |                     | Company/Staff Proposed |                     |                        |
|                                 |                                  | Depreciation Rate (%) | Annual Expense (\$) | Depreciation Rate (%)  | Annual Expense (\$) | Change in Expense (\$) |
| <b>POLK POWER STATION</b>       |                                  |                       |                     |                        |                     |                        |
| 34182                           | Unit No. 2                       | 2.7                   | 56,380              | 2.7                    | 56,380              | 0                      |
| 34282                           | Unit No. 2                       | 2.9                   | 28,955              | 2.9                    | 28,955              | 0                      |
| 34382                           | Unit No. 2                       | 5.2                   | 1,439,046           | 7.6                    | 2,103,222           | 664,176                |
| 34582                           | Unit No. 2                       | 2.9                   | 479,525             | 2.9                    | 479,525             | 0                      |
| 34682                           | Unit No. 2                       | 2.8                   | 4,850               | 2.8                    | 4,850               | 0                      |
| 34183                           | Unit No. 3                       | 2.6                   | 268,764             | 2.6                    | 268,764             | 0                      |
| 34283                           | Unit No. 3                       | 2.9                   | 33,381              | 2.9                    | 33,381              | 0                      |
| 34383                           | Unit No. 3                       | 5.2                   | 1,576,465           | 6.2                    | 1,879,632           | 303,167                |
| 34583                           | Unit No. 3                       | 3.0                   | 271,941             | 3.0                    | 271,941             | 0                      |
| 34683                           | Unit No. 3                       | 2.8                   | 12,121              | 2.9                    | 12,554              | 433                    |
| 34687                           | Polk Amortizable Tools           | 14.3                  | 132,206             | 14.3                   | 132,206             | 0                      |
| <b>Total Polk Power Station</b> |                                  |                       | <b>24,343,169</b>   |                        | <b>25,983,437</b>   | <b>1,640,268</b>       |
| <b>PHILLIPS STATION</b>         |                                  |                       |                     |                        |                     |                        |
| 34128                           | Phillips Station                 | 3.7                   | 348,269             | 3.4                    | 320,031             | (28,238)               |
| 34228                           | Phillips Station                 | 3.3                   | 774,847             | 3.0                    | 704,407             | (70,440)               |
| 34328                           | Phillips Station                 | 3.1                   | 640,090             | 3.7                    | 763,978             | 123,888                |
| 34528                           | Phillips Station                 | 4.0                   | 234,994             | 3.5                    | 205,620             | (29,374)               |
| 34628                           | Phillips Station                 | 3.9                   | 24,735              | 4.2                    | 26,638              | 1,903                  |
| <b>Total Phillips Station</b>   |                                  |                       | <b>2,020,935</b>    |                        | <b>2,020,674</b>    | <b>(2,261)</b>         |
| 34390                           | City of Tampa                    | 4.3                   | 277,738             | 4.5                    | 290,656             | 12,918                 |
| <b>Total Production Plant</b>   |                                  |                       | <b>98,710,234</b>   |                        | <b>86,058,596</b>   | <b>(12,651,638)</b>    |
| <b>TRANSMISSION PLANT</b>       |                                  |                       |                     |                        |                     |                        |
| 350.01                          | Land Rights                      | 2.6                   | 198,186             | 2.3                    | 175,319             | (22,867)               |
| 352.00                          | Structures and Improvements      | 2.2                   | 65,854              | 2.3                    | 68,847              | 2,993                  |
| 353.00                          | Station Equipment                | 2.5                   | 4,701,519           | 2.5                    | 4,701,519           | 0                      |
| 354.00                          | Towers and Fixtures              | 2.6                   | 111,140             | 2.5                    | 106,866             | (4,274)                |
| 355.00                          | Poles and Fixtures               | 3.8                   | 4,156,319           | 4.4                    | 4,812,580           | 656,261                |
| 356.00                          | OH Conductors & Devices          | 3.9                   | 3,622,787           | 3.7                    | 3,437,003           | (185,784)              |
| 356.01                          | Clearing Rights-of-Way           | 2.0                   | 42,665              | 2.0                    | 42,665              | 0                      |
| 357.00                          | Underground Conduit              | 1.7                   | 60,187              | 1.7                    | 60,187              | 0                      |
| 358.00                          | UG Conductors and Devices        | 2.6                   | 183,145             | 2.4                    | 169,057             | (14,088)               |
| 359.00                          | Roads and Trails                 | 2.1                   | 95,810              | 2.2                    | 100,372             | 4,562                  |
| <b>Total Transmission Plant</b> |                                  |                       | <b>13,237,612</b>   |                        | <b>13,674,415</b>   | <b>436,803</b>         |
| <b>DISTRIBUTION PLANTS</b>      |                                  |                       |                     |                        |                     |                        |
| 361.00                          | Structures & Improvements        | 2.6                   | 38,001              | 2.4                    | 35,078              | (2,923)                |
| 362.00                          | Station Equipment                | 2.9                   | 4,290,659           | 2.5                    | 3,698,844           | (591,815)              |
| 364.00                          | Poles, Towers & Fixtures         | 4.0                   | 7,261,769           | 4.7                    | 8,532,579           | 1,270,810              |
| 365.00                          | OH Conductors & Devices          | 3.4                   | 6,711,836           | 3.3                    | 6,514,429           | (197,407)              |
| 366.00                          | Underground Conduit              | 2.0                   | 2,790,396           | 2.0                    | 2,790,396           | 0                      |
| 367.00                          | UG Conductors & Devices          | 3.2                   | 5,483,886           | 3.2                    | 5,483,886           | 0                      |
| 368.00                          | Line Transformers                | 4.1                   | 14,137,319          | 4.2                    | 14,482,131          | 34,4812                |
| 369.01                          | Overhead Services                | 3.2                   | 2,108,339           | 3.1                    | 2,042,454           | (65,885)               |
| 369.02                          | Underground Services             | 3.2                   | 2,951,149           | 3.3                    | 3,043,372           | 92,223                 |
| 370.00                          | Meters                           | 4.7                   | 2,742,867           | 6.3                    | 3,676,609           | 933,742                |
| 373.00                          | Street Lighting and Signal Syst. | 5.3                   | 7,227,976           | 5.2                    | 7,091,599           | (136,377)              |
| <b>Total Distribution Plant</b> |                                  |                       | <b>55,744,197</b>   |                        | <b>57,391,377</b>   | <b>1,647,180</b>       |
| <b>GENERAL PLANT</b>            |                                  |                       |                     |                        |                     |                        |
| 390.00                          | Structures & Improvements        | 3.5                   | 2,633,930           | 3.6                    | 2,709,185           | 75,255                 |
| 397.25                          | Communication Equipment-Fiber    | 5.8                   | 1,101,821           | 5.8                    | 1,101,821           | 0                      |

| Comparison of Expenses          |                                                  |                   |                    |                        |                    |                     |
|---------------------------------|--------------------------------------------------|-------------------|--------------------|------------------------|--------------------|---------------------|
| Account Number                  | Account Title                                    | Current           |                    | Company/Staff Proposed |                    |                     |
|                                 |                                                  | Depreciation Rate | Annual Expense     | Depreciation Rate      | Annual Expense     | Change in Expense   |
|                                 |                                                  | (%)               | (\$)               | (%)                    | (\$)               | (\$)                |
| <b>TRANSPORTATION EQUIPMENT</b> |                                                  |                   |                    |                        |                    |                     |
| <b>ENERGY DELIVERY</b>          |                                                  |                   |                    |                        |                    |                     |
| 392.02                          | Light Trucks                                     | 8.8               | 437,703            | 9.7                    | 482,468            | 44,765              |
| 392.03                          | Heavy Trucks                                     | 6.8               | 1,035,394          | 6.4                    | 974,489            | (60,905)            |
| 392.04                          | Medium Trucks                                    | 0.2               | 1,480              | 7.8                    | 57,706             | 56,226              |
| <b>ENERGY SUPPLY</b>            |                                                  |                   |                    |                        |                    |                     |
| 392.12                          | Light Trucks                                     | 9.4               | 100,746            | 8.5                    | 91,101             | (9,645)             |
| 392.13                          | Heavy Trucks                                     | 4.8               | 29,961             | 5.9                    | 36,827             | 6,866               |
| 392.14                          | Medium Trucks                                    | 7.1               | 26,585             | 5.7                    | 21,343             | (5,242)             |
| <b>GENERAL PLANT AMORTIZED</b>  |                                                  |                   |                    |                        |                    |                     |
| 391.01                          | Office Furniture and Equipment                   | 14.3              | 789,701            | 14.3                   | 789,701            | 0                   |
| 391.02                          | Computer Equipment-Work Station                  | 25.00             | 10,069,378         | 25.0                   | 10,069,378         | 0                   |
| 391.04                          | Computer Equipment –Mainframe                    | 20.0              | 58,306             | 20.0                   | 58,306             | 0                   |
| 393.00                          | Stores Equipment                                 | 14.3              | 2,088              | 14.3                   | 2,088              | 0                   |
| 394.00                          | Tools, Shop & Garage Equipment                   | 14.3              | 842,701            | 14.3                   | 842,701            | 0                   |
| 395.00                          | Laboratory Equipment                             | 14.3              | 12,538             | 14.3                   | 12,538             | 0                   |
| 396.00                          | Power Operated Equipment                         | 14.3              | 20,346             | 14.3                   | 20,346             | 0                   |
| 397.00                          | Communication Equipment                          | 14.3              | 2,899,392          | 14.3                   | 2,899,392          | 0                   |
| 398.00                          | Miscellaneous Equipment                          | 14.3              | 33,023             | 14.3                   | 33,023             | 0                   |
|                                 | <b>Total General Plant</b>                       |                   | 20,095,093         |                        | 20,202,413         | 107,3200            |
|                                 | <b>Total Trans., Distrib. &amp; Genrl. Plant</b> |                   | <b>89,076,902</b>  |                        | <b>91,268,205</b>  | <b>2,191,303</b>    |
|                                 | <b>Total Production Plant</b>                    |                   | <b>98,710,234</b>  |                        | <b>86,058,596</b>  | <b>(12,651,638)</b> |
|                                 | <b>Fossil Dismantlement Accrual</b>              |                   | <b>3,876,903</b>   |                        | <b>1,294,943</b>   | <b>(2,581,960)</b>  |
|                                 | <b>Total Plant</b>                               |                   | <b>191,664,039</b> |                        | <b>178,621,744</b> | <b>(13,042,295)</b> |

| Comparison of Current And Proposed Dismantlement Accruals |                     |                  |                    |
|-----------------------------------------------------------|---------------------|------------------|--------------------|
|                                                           | Commission Approved | Company Proposed | Change In          |
|                                                           | Current Accrual     | Accrual          | Accrual            |
| Account Title                                             | 01/01/2004          | 01/01/2007       | 01/01/2007         |
|                                                           | (\$)                | (\$)             | (\$)               |
| Bayside Common                                            | 103,920             | 46,735           | (57,185)           |
| Bayside Unit No. 1 & PB                                   | 199,295             | 67,810           | (131,485)          |
| Gannon Unit No. 5 Turbine                                 | 172,992             | 7,988            | (165,004)          |
| Bayside Unit No. 2 CT & PB                                | 273,648             | 90,067           | (183,581)          |
| Gannon Unit No. 6 Turbine                                 | 97,196              | 9,592            | (87,604)           |
|                                                           |                     |                  |                    |
| Big Bend Common                                           | 396,163             | 146,439          | (249,724)          |
| Big Bend Unit No. 1 Turbine & Coal                        | 247,815             | 114,784          | (133,031)          |
| Big Bend Unit No. 2 Turbine & Coal                        | 391,667             | 148,583          | (243,084)          |
| Big Bend Unit No. 3 Turbine & Coal                        | 444,968             | 155,057          | (289,911)          |
| Big Bend Unit No. 4 Turbine & Coal                        | 387,539             | 100,607          | (286,932)          |
| Big Bend Unit No. 1 and 2 FGD                             | 149,978             | 75,034           | (74,944)           |
| Big Bend Unit No. 3 and 4 FGD                             | 149,980             | 75,034           | (74,946)           |
| Big Bend CT's                                             | 12,454              | 24,604           | 12,150             |
|                                                           |                     |                  |                    |
| Polk Common & Gasifier                                    | 532,151             | 109,951          | (422,200)          |
| Polk Unit No. 1 Power Block                               | 62,584              | -13,448          | (76,032)           |
| Polk Unit No. 2 Power Block                               | 9,881               | 26,157           | 16,276             |
| Polk Unit No. 3 Power Block                               | 10,721              | 28,462           | 17,741             |
|                                                           |                     |                  |                    |
| City of Tampa                                             | 20,665              | 12,852           | (7,813)            |
| Phillips Station                                          | 74,865              | 68,635           | (6,230)            |
|                                                           |                     |                  |                    |
| Gannon Common                                             | 71,854              | 0                | (71,854)           |
| Gannon Unit No. 3 Turbine                                 | 25,844              | 0                | (25,844)           |
| Gannon Unit No. 4 Turbine                                 | 40,723              | 0                | (40,723)           |
| <b>Total Dismantlement Accrual</b>                        | <b>3,876,903</b>    | <b>1,294,943</b> | <b>(2,581,960)</b> |