

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Approval of) DOCKET NO. 931142-EI
1993 Depreciation Study by) ORDER NO. PSC-94-1331-FOF-EI
FLORIDA POWER CORPORATION) ISSUED: OCTOBER 27, 1994

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING DEPRECIATION RATES, RECOVERY SCHEDULES,
PROVISION FOR FOSSIL FUEL DISMANTLEMENT,
AMORTIZATION PERIOD FOR COMPUTER SOFTWARE AND
REVISING AMORTIZATION OF INVESTMENT TAX CREDITS

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.

Case Background

Rule 25-6.0436 (8)(a), Florida Administrative Code, requires each electric utility to file a study for each category of depreciable property for Commission review at least once every four years. In 1989, Florida Power Corporation (FPC) filed its last depreciation study. Depreciation rates effective December 1, 1990 were approved by Order No. 23957, issued January 4, 1991.

On November 29, 1993, FPC filed its depreciation study in the current docket covering production, transmission, distribution and general plant. This Order establishes the appropriate final depreciation rates and recovery schedules to be implemented by FPC.

The purpose of this depreciation study is to determine and provide for the appropriate depreciation rates and recovery schedules for FPC's production, transmission, distribution and general plant. We have completed our analysis and review of the Company's depreciation study and are ordering revisions to the previously approved rates.

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FPSC-RECORDS/REPORTING

FPC's current depreciation rates, amortization schedules and dismantlement provision were approved effective December 1, 1990. Since the time of the last repescription, changes in the company's operations and planned activities suggest the need to review and revise rates, recovery schedules and dismantlement accruals where appropriate.

Appropriate Amortization and Recovery Schedules

FPC's Avon Park generating facility has been on "extended cold shutdown" (ECS) since 1984. There are no plans to repower this unit and partial dismantlement through asbestos abatement is scheduled for 1994. Current Company plans are to completely dismantle this plant by the end of 1995. We find that FPC shall recover the associated unrecovered investment over a one year period beginning January 1, 1995. This net investment does not include any provision for dismantlement as those related costs will be recovered through the dismantlement reserve.

The Higgins and Turner oil fired steam plants were placed in ECS status in January 1994 due to their low capacity factors and high operational costs. FPC's current Integrated Resource Plan indicates that these plants will be converted to combined cycle operation fueled by natural gas beginning during the year 2000. The repowering is anticipated to utilize major equipment assets such as the turbine, generator, substation and other site equipment. Some equipment such as boilers and stacks may require dismantlement. As with Avon Park, any incurred dismantlement costs will be charged to the dismantlement reserves for each of these plants.

We agree with the concept of a recovery schedule addressing the assets not considered viable for reuse during the repowering of Higgins and Turner. A 4.5 year and a 5.5 year recovery period, respectively, matches the remaining service life of these retiring assets and is also approved. If the situation changes and substantially more plant will be retired in connection with repowering or more plant will be reused, the Company shall advise the Commission so appropriate recovery revisions can be made. Also, prior to the repowered plants becoming operational, FPC shall submit a study addressing new depreciation rates, based upon expected lives for the repowered investments.

In 1984 and by Order No. 13771, Docket No. 830470-EI, FPC placed 16 combustion turbines in ECS status. These units were removed from plant in service and the Company was allowed to accrue and capitalize AFUDC until each of the units returned to service.

As of January 1, 1995, all ECS turbines will have been returned to service and FPC will have begun amortizing the associated carrying charges over the currently prescribed remaining life of each unit. The amortization period for each unit shall be revised to reflect the remaining lives approved in this Order. Those periods are shown on Attachment B, page 16, reflect the remaining lives approved as appropriate for each unit effective January 1, 1995.

Attachment B, page 16, shows these schedules and reflects resultant expenses with a January 1, 1995 implementation date. Under this scenario, the unrecovered costs associated with Avon Park will be recovered over one year; the unrecovered costs associated with the assets planned for retirement in connection with the repowering of the Higgins and Turner Plants will be recovered over 4.5 years and 5.5 years, respectively. These time periods match recovery to the remaining service lives of the retiring assets measured from January 1, 1995.

Appropriate Provision for Fossil Fuel Dismantlement

The Company proposed an accrual of \$16.4 million based on its dismantlement study filed in December 1993. After making several adjustments, a four year average annual accrual of approximately \$17.0 million has been calculated. The decline from the current \$24.1 million accrual to the \$17.0 million approved accrual can primarily be attributed to changes in the costs provided by FPC in its current dismantlement study. While the costs of dismantling the Company's gas turbines have increased when comparing the new study to the study filed in Docket No. 910890-EI (Order No. PSC-92-1197-FOF-EI), the estimated costs of dismantling the Company's steam plants have declined.

The decrease in the Company's estimated cost of dismantling its steam plants is primarily attributed to 1) a change in the manner in which the steam plants have been analyzed; 2) a change in the contingency factor from 20% to 15%; and 3) the changes in inflation rates and capital recovery dates.

The previous dismantlement study began with a site study of the Bartow steam unit. The resulting costs to dismantle the Bartow unit were then used as a basis to estimate the dismantlement costs for the other steam sites. Because the asbestos abatement costs at the Bartow unit are relatively extensive, this method caused estimated asbestos removal costs at all of the other steam sites to also be costly. In the current study, the analysis was performed on a site by site basis. The site specific cost of removing asbestos is lower than the costs expected for the Bartow unit.

Besides the effects of the site specific studies, another reason for the decrease in the current estimated cost of dismantlement is attributed to the recognition of using power-operated shears in the dismantling process. The previous study did not take this technology into account. The use of power shears decreases the labor hours needed for dismantlement.

The inflation rates have been updated to reflect the most current DRI Review of the U.S. Economy - Long Range Focus available, and the same indices used in the previous study are applied to the current dismantlement study. Also, a few miscalculations made in the Company's spreadsheet for determining the accrual were corrected.

The accrual calculation for the Turner and Higgins steam plants has been modified to recognize current planning for repowering. The Company has estimated the dismantlement costs that will be incurred in connection with the 1999 repowering process. Assuming that repowering will extend the life of these plants at least 20 years, the capital recovery date for dismantlement costs associated with the remaining assets has been modified. This has caused a decline in the current estimate of the four year average annual accrual for these plants since a large portion of the dismantlement costs has been deferred to a later period.

Additionally, the Company has reallocated the miscellaneous dismantlement reserve of \$10,947,840 to offset the residual unrecovered costs associated with the dismantlement of Inglis (\$151,368). The remaining dollars have been allocated between Avon Park, Turner and Higgins.

Lastly, we deem it appropriate to retain the 20% contingency factor approved in the Company's most recent rate case (Docket No. 910890-EI), rather than reduce it to 15% as proposed by the Company.

Therefore, we find that the appropriate four year average annual accrual beginning in 1995 for FPC's fossil fuel dismantlement is \$17.0 million.

Appropriate Depreciation Rates

The major differences between the Company proposed and the Commission approved rates are in the areas of steam production plant lives and in the recovery period for the near-term planned retirements at Avon Park, Higgins and Turner. At the time the depreciation study was filed, FPC believed that both Avon Park and

Turner would never return to service and that Higgins was the only plant possible for repowering. As a result of the Integrated Resource Planning process, the Company now expects that both Turner and Higgins will be repowered.

Another difference is found in the investment and reserve positions used by the Commission. While the Company's study was based on estimated 1993 and 1994 data, we used actual 1993 investment and reserve balances brought forward with FPC's projected 1994 activity.

An additional difference is attributable to the treatment of the recovery of the net investments retired as a result of the no-name winter storm of March 1993. These unrecovered costs of \$553,152 are currently reflected in each affected account's reserve and are being recovered over the associated account's remaining life. In the Company's last rate case in Docket No. 910890-EI, it was determined that the storm damage reserve should be used for losses incurred, not otherwise covered by insurance, for any destructive acts of nature. O & M costs incurred from the no-name storm have already been charged to the storm damage reserve. It stands to reason therefore that the unrecovered capital costs should also be recovered from this reserve. FPC has agreed to this treatment.

Amortizations

Certain general support asset account investments are being amortized as prescribed by Rule 25-6.0142, Florida Administrative Code. The embedded investments for each of these equipment types are shown on Attachment A, pages 13-15, as well as the associated amortization period as set forth in the rule and the resultant expense.

Depreciation Rates

A. Production Plant

The approach to projecting interim retirement patterns is the essential difference between the Company proposed and the Commission approved depreciation rates for production plant.

In developing its proposed lives for production plant, FPC stratified the investment into groups of assets having similar life characteristics. Service lives for each strata were then determined using the same methodology employed by the Commission in the last study review. The average age of each stratified category

was computed and, assuming a square-wave, remaining lives were determined for each strata. The various strata lives were then composited to a proposed remaining life by account for each production plant.

FPC's approach assumes very low interim retirement rates, as evidenced by the choice of a square-wave pattern. These assets, however, will not truly live as a square-wave (no retirements until date of final retirement). The Commission's approach is to use the various strata whole lives as the Company proposed and then develop a retirement pattern by smoothing the curve resulting from the various strata of each account.

For the Structures and Miscellaneous Equipment accounts for each plant, FPC's net salvage proposals vary among the plants ranging from 0% to negative 10%. In the belief that these investments should experience similar costs relating to interim retirements, we approve a negative 5% net salvage for each account for each plant.

The Avon Park, Higgins and Turner plants have been in a state of "Extended Cold Shutdown". The current plans call for the dismantlement of Avon Park by year end 1995 and the repowering of Higgins and Turner by 2000 and 2001, respectively. Recovery schedules have therefore been recommended for the associated retiring net investments as addressed on page 16 of this Order.

While the Company proposes a negative 2% net salvage for the new peakers at Debary and Intercession City as well as for the University of Florida Combustion Turbine, we approve a negative 10% net salvage value, based on the assumption that the interim retirements will result in the same type of net salvage as experienced by the other peaking plants.

As in the last study review, current information still does not appear to warrant depreciation rates by account for both the peaking plants and the Bartow-Anclote pipeline. We approve the Company proposal for rates by site or installation.

B. Transmission Plant

All the parties are in agreement regarding life, salvage and reserve factors on all but three accounts. There is disagreement on the salvage factor for Account 353.1, Station Equipment and on the life parameters for Account 353.2, Station Equipment-Energy Control Center and Account 357, Underground Conduit.

The Company proposal for Account 353.1, Station Equipment, is to change the salvage factor from 10% to 20% based on an expectation that "30% of the plant retired will be reused." The average annual retirement rate for this account for the last five years has been less than one-half percent. This type of activity precludes any meaningful statistical analysis from being performed and makes reliance on industry averages necessary. Recognizing the prospect of reuse salvage from such items as breakers, switches, relays, and lightning arresters and junk salvage for the remaining equipment in the account, a net salvage factor of 10% is approved.

The remaining life proposed by FPC for the Energy Control Center computer system is based on a 13 year average service life. This computer system was installed in 1991. It analyzes the load requirements and controls the power plants in the transmission grid. It is our opinion that the proposed service life is somewhat long, particularly in view of the fast-paced technology in the computer field. With this in mind, an average remaining life of 8 years based on a 10 year average service life and the currently approved S6 curve shape is approved as being more indicative of the life expectancy for this equipment.

The Company's proposal for Account 357, Underground Conduit is a change in curve shape and a shortened average service life from 50 years to 45 years. This account has not experienced a plant addition since 1978 and has had no retirement activity since 1987. This level of activity does not support the Company's proposal for this account and makes reliance on industry averages necessary. Our approved 22 year average remaining life is based on maintaining the current average service life and curve shape and is representative of current industry expectations.

C. Distribution Plant

The only differences between the Company proposals and Commission approvals for this function are with the service life for Account 366, Underground Conduit and the net salvage factor for Account 365, Overhead Conductors and Devices and Account 369.2, Underground Services.

The Company proposal for Underground Conduit is to maintain the current R3 curve shape with a decrease in average service life from 45 years to 42 years. According to the data submitted, there has only been approximately 4% of the investment retired since the account's inception in 1943. This retirement pattern precludes any meaningful statistical analysis and therefore makes reliance on

industry averages necessary. The approved 36 year remaining life is based on maintaining the current 45 year average service life which is at the low end of current industry estimates for the plant.

Retention of the current net salvage factors for Overhead Conductors and Devices and Underground Services is approved. The retirement rates for both accounts have been very low, and the salvage history highly variable. It can not be assumed that recent removal history, associated with retirements which averaged much less than 1% annually, can be applied to the entire investment for these accounts. There is not sufficient indication to make any change from the currently approved net salvage. Therefore, we approve the continued utilization of the current negative 30% and negative 20% net salvage values for Overhead Conductors and Devices and Underground Services, respectively.

The Company proposal for Account 369.2, Underground Services, is a decrease in average service life from 40 years to 37 years. Over the last decade, retirements have averaged well below 1% annually. This low level of retirements precludes any meaningful analysis and makes reliance on industry averages necessary. Therefore, we retain the currently prescribed 40 year average service life and the R2.5 curve shape which produces the recommended 32 year average remaining life. This is consistent with current industry expectations.

D. General Support Plant

We accept the Company's proposal for all of the accounts in this portion of plant with one exception, Account 397, Communication Equipment. Considering the technological advances being made in the telecommunications industry in addition to the recent activity of this account, we approve a 15 year average service life for this account. FPC provided its December 31, 1993 inventory results to the Commission. The Commission then utilized this data to recalculate the average age of the account as of January 1, 1995. Using the S1 curve shape and the recalculated average age of 6.8 years produces the recommended average remaining life of 9.7 years. We approve the Company's proposed net salvage of zero.

Implementation Date for the Approved Rates, Recovery Schedules and Dismantlement Provision

Company data and related calculations about the January 1, 1995 date. Therefore, we approve this date for implementation for the revisions, being the earliest practicable date for utilizing the revised rates and schedules.

Amortization Period for FPC's new Customer Service Billing System

The amortization of intangible property, while not prohibited by rule or statute, is not normally addressed in depreciation studies. However, FPC has requested that the amortization period for its new Customer Service System be addressed in this revision. This software system is to be installed during 1994 at a cost of about \$30 million. A 10 year amortization period has been proposed by FPC as approximating the period of time the benefits of this system will be realized.

This new software system is state-of-the-art and will include all customer billing, cash processing, complete on-line customer history, tracking of connections, disconnections and customer deposits. Further, the system is designed to decrease paperwork and increase employee productivity as a result of having all customer information immediately available on-line.

The Federal Energy Regulatory Commission (FERC) was contacted to determine the amortization periods it generally prescribes for software systems. The amortization periods vary from 5 to 10 years with some longer than 10 years depending upon the period of time the benefits of the system are expected to be realized.

FPC's proposed 10 year amortization period appears to be within the range of reasonableness. Therefore, we find that the amortization period for the Customer Service System computer software shall be 10 years.

Revision to Current Investment Tax Credit (ITC) Amortization and the Flowback of Excess Deferred Income Taxes

In this Order, we have approved revisions to FPC's depreciation rates and recovery schedules. Revising a utility's depreciation rates typically results in a change in its rate of ITC amortization and a change in its flowback of excess deferred taxes.

FPC is treated under Section 46(f)(2) of the Internal Revenue Code (IRC), which results in weighted cost ITCs in its capital structure and above-the-line ITC amortization in its income tax expense. Section 46(f)(6) of the IRC states that the amortization of ITCs should be determined by the period used in computing depreciation expense for purposes of reflecting regulated operating results of the utility. Rule 25-14.008(3)(b)(3), Florida Administrative Code, states that where an election was made under Section 46(f)(2) of the Internal Revenue Code, reductions to cost of service are made based on ratable allocations of the credit in proportion to the regulated depreciation expense. Consequently, a change in depreciation rates usually results in a change in the amortization of ITCs.

Regarding the flowback of excess deferred taxes, Section 203(e) of the Tax Reform Act of 1986 (TRA) prohibits rapid write-back of excess protected (depreciation related) deferred taxes. Also, Rule 25-14.013, Florida Administrative Code, prohibits (without good cause shown) excess deferred income taxes from being reversed any faster than allowed under either the average rate assumption method of Section 203(e) of the TRA or Revenue Procedure 88-12, whichever is applicable. Consequently, the flowback of excess deferred taxes should be altered to comply with the TRA and Rule 25-14.013, Florida Administrative Code.

FPC shall file a report with detailed calculations of the adjusting entries, revised ITC amortization and revised flowback of excess deferred taxes at the same time it files its Earnings Surveillance Report covering the period ending January 31, 1995.

Based on the foregoing, it is

ORDERED that the remaining life and salvage parameters, and the resulting depreciation rates discussed in this Order and detailed in Attachment A are approved. It is further

ORDERED that the recovery schedules and amortization of Extended Cold Shutdown carrying charges discussed in this Order and detailed in Attachment B are approved. It is further

ORDERED that the appropriate annual provision for fossil fuel dismantlement shall be \$17.0 million. It is further

ORDERED that to the extent the Company's plans change and substantially more plant will be retired or reused, the Commission shall be advised so appropriate recovery revisions can be provided. It is further

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ORDERED that prior to the repowered Higgins and Turner Plants becoming operational, FPC shall submit a study addressing new depreciation rates based upon expected lives for the repowered investments. It is further

ORDERED that the Company's proposed January 1, 1995 date of implementation for the new depreciation rates and recovery schedules is approved. It is further

ORDERED that the amortization period for the Customer Service System computer software shall be 10 years. It is further

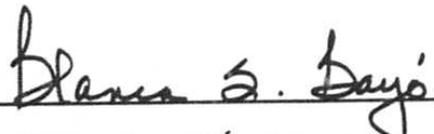
ORDERED that Florida Power Corporation shall revise its ITC amortization and the flowback of excess deferred income taxes to reflect the approved depreciation rates and recovery schedules. It is further

ORDERED that Florida Power Corporation shall file a report with detailed calculations of the adjusting entries, revised ITC amortization and revised flowback of excess deferred taxes at the same time it files its January 31, 1995 Earnings Surveillance Report. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket should be closed.

By ORDER of the Florida Public Service Commission, this 27th day of October, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 17, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

FLORIDA POWER CORP.
 1993 DEPRECIATION STUDY

ACCOUNT	COMMISSION APPROVED RATES			REMAINING LIFE RATE
	AVERAGE REMAINING LIFE	NET SALVAGE	RESERVE	
STEAM PRODUCTION PLANT				
Crystal River 1 & 2				
311 Structures and Improvements	15.7	(5.0)	50.75	3.5
312 Boiler Plant Equip.	11.8	(25.0)	54.08	6.0
314 Turbogenerator Units	11.3	(25.0)	22.38	9.1
315 Accessory Electric Equip.	13.3	(10.0)	51.62	4.4
316 Misc. Power Plant Equip.	10.2	(5.0)	41.26	6.2
Crystal River 4 & 5				
311 Structures and Improvements	34.0	(5.0)	24.16	2.4
312 Boiler Plant Equip.	18.1	(10.0)	42.22	3.7
314 Turbogenerator Units	17.6	(10.0)	37.05	4.1
315 Accessory Electric Equip.	21.0	(10.0)	38.60	3.4
316 Misc. Power Plant Equip.	12.4	(5.0)	54.64	4.1
Anclote Steam Plant				
311 Structures and Improvements	25.0	(5.0)	39.12	2.6
312 Boiler Plant Equip.	15.4	(20.0)	49.47	4.6
314 Turbogenerator Units	13.3	(10.0)	56.32	4.0
315 Accessory Electric Equip.	17.1	(10.0)	44.87	3.8
316 Misc. Power Plant Equip.	9.6	(5.0)	54.97	5.2
Bartow Steam Plant				
311 Structures and Improvements	12.9	(5.0)	68.03	2.9
312 Boiler Plant Equip.	10.9	(20.0)	34.62	7.8
314 Turbogenerator Units	9.9	(20.0)	58.81	6.2
315 Accessory Electric Equip.	11.4	(20.0)	39.46	7.1
316 Misc. Power Plant Equip.	7.6	(5.0)	57.59	6.2
Suwannee River Steam Plant				
311 Structures and Improvements	11.1	(5.0)	84.02	1.9
312 Boiler Plant Equip.	9.7	(15.0)	45.22	7.2
314 Turbogenerator Units	8.9	(15.0)	68.86	5.2
315 Accessory Electric Equip.	10.1	(15.0)	76.10	3.9
316 Misc. Power Plant Equip.	10.6	(5.0)	45.67	5.6
Bartow-Anclote Pipeline				
All Accounts - Total	23.0	(5.0)	44.67	2.6
NUCLEAR PRODUCTION PLANT				
Crystal River 3				
321 Structure and Improvements	19.9	(10.0)	47.54	3.1
322 Reactor Plant Equip.	16.3	(20.0)	45.50	4.6
323 Turbogenerator Units	12.8	(20.0)	50.71	5.4
324 Accessory Electric Equip.	17.4	(20.0)	33.38	5.0
325 Miscellaneous Equip.	11.5	(5.0)	65.40	3.4

FLORIDA POWER CORP.
 1993 DEPRECIATION STUDY

ACCOUNT	COMMISSION APPROVED RATES			REMAINING LIFE RATE
	AVERAGE REMAINING LIFE	NET SALVAGE	RESERVE	
PRODUCTION PLANT - PEAKERS				
Bayboro Peaking Plant	9.5	(10.0)	65.28	4.7
Higgins Peaking Plant	8.5	(10.0)	53.11	6.7
Avon Park Peaking Plant	9.5	(10.0)	59.52	5.3
DeBary Peaking Plant	17.0	(10.0)	48.66	3.6
DeBary Peaking Plant - New	30.0	(10.0)	7.52	3.4
Bartow Peaking Plant	12.6	(10.0)	45.25	5.1
Intercession City Peaking Plant	16.1	(10.0)	57.30	3.3
Intercession City Peaking Plant-New	30.0	(10.0)	4.16	3.5
Port St. Joe Peaking Plant	8.5	(10.0)	48.52	7.2
Rio Pinar Peaking Plant	8.5	(10.0)	47.73	7.3
Suwanee River Peaking Plant	18.5	(10.0)	45.15	3.5
Univ. of Fla.-Combustion Turbine	20.0	(10.0)	3.69	5.3
Turner Peaking Plant	12.6	(10.0)	54.08	4.4
TRANSMISSION PLANT				
350.1 Easements	44.0	0.0	26.73	1.7
352 Structures and Improvements	36.0	(5.0)	30.76	2.1
353.1 Station Eqpt. (Exclu. ECC)	29.0	10.0	22.95	2.3
353.2 Sta. Eq.-Energy Control Center-New	8.0	0.0	17.45	10.3
354 Towers and Fixtures	32.0	(35.0)	60.49	2.3
355 Poles and Fixtures	22.0	(30.0)	37.26 #	4.2
356 Overhead Conductors and Devices	22.0	(20.0)	48.06 #	3.3
357 Underground Conduit	22.0	0.0	60.17	1.8
358 Underground Conductors & Devices	18.4	0.0	69.38	1.7
359 Roads and Trails	33.0	0.0	27.85	2.2
DISTRIBUTION PLANT				
360.1 Easements	32.0	0.0	45.74	1.7
361 Structures & Improvements	40.0	(5.0)	23.99	2.0
362 Station Equipment	28.0	15.0	22.23	2.2
364 Poles, Towers & Fixtures	20.0	(20.0)	37.98 #	4.1
365 OH Conductors & Devices	20.0	(30.0)	33.35 #	4.3
366 Underground Conduit	36.0	0.0	20.72 #	2.2
367 Underground Cond. & Devices	26.0	0.0	24.07 #	2.9
368 Line Transformers	17.2	(15.0)	34.42 #	4.7
369.1 Services-Overhead	25.0	(50.0)	40.50	4.4
369.2 Services-Underground	32.0	(20.0)	25.11	3.0
370 Meters	20.0	(15.0)	30.64	4.2
371 Installations on Cust. Premises	13.2	0.0	22.33	5.9
372 Leased Prop. on Cust. Prem.	25.0	0.0	0	4.0
373 Street Light & Signal Sys.	9.1	(5.0)	34.57 #	7.7

*Denotes Whole Life Rates

FLORIDA POWER CORP.
 1993 DEPRECIATION STUDY

ACCOUNT	COMMISSION APPROVED RATES			
	AVERAGE REMAINING LIFE	NET SALVAGE	RESERVE	REMAINING LIFE RATE
GENERAL PLANT				
390 Structures & Improvements	28.0	(15.0)	25.46	3.2
392.1 Transportation—Automobiles	3.3	18.0	29.3	16.0
392.2 Transportation—Light Trucks	4.2	22.0	33.53	10.6
392.3 Transportation—Heavy Trucks	6.3	7.0	58.88	5.4
392.4 Transportation—Special Trucks	10.3	18.0	35.55	4.5
392.5 Transportation—Trailers	19.6	18.0	21.12	3.1
392.6 Transportation—Aircraft (Used)	5.0	25.0	60.63	15.0*
392.7 Transportation—Aircraft (New)	7.0	65.0	17.60	5.0*
393.1 Stores Equip—Handling Equip	16.9	10.0	27.78	3.7
394.1 Shop Equip.—Fixed/Stationary	11.5	0.0	27.9	6.3
395.1 Lab. Equip.—Fixed/Stationary	25.0	0.0	0	4.0*
396 Power Operated Eq.	6.1	10.0	37.09	8.7
397 Communications Eqpt.	9.7	0.0	24.88	7.7
AMORTIZABLE PLANT				
391 Furniture (Pre '88)				7 Yr. Amortization
391.1 Office Furniture				7 Yr. Amortization
391.2 Office Equipment				7 Yr. Amortization
391.3 Computers				5 Yr. Amortization
391.5 Duplicating and Mail Eq.				7 Yr. Amortization
393 Stores Equipment				7 Yr. Amortization
393.2 Storage Equipment				7 Yr. Amortization
393.3 Portable Handling Equip.				7 Yr. Amortization
394 Tools, Shop & Garage Eq.				7 Yr. Amortization
394.2 Tools, Shop & Garage Eq.				7 Yr. Amortization
395 Laboratory Equipment				7 Yr. Amortization
395.2 Portable Laboratory Equip.				7 Yr. Amortization
398 Miscellaneous Equip.				7 Yr. Amortization
398.2 Miscellaneous Equip.				7 Yr. Amortization

*Denotes Whole Life Rates

#Denotes restated reserve after transfer to Storm Damage Reserve

FLORIDA POWER CORP.
 1993 DEPRECIATION STUDY

APPROVED RECOVERY SCHEDULES

	1-1-95 INVESTMENT (\$)	1-1-95 RESERVE (\$)	NET TO BE RECOVERED (\$)	PERIOD OF RECOVERY (Yrs.)
Steam Production				
Avon Park	7,879,766	6,440,502	1,439,264	1 Yr.
Higgins Retirements	13,348,710	9,199,990	4,148,720	4.5 Yr.
Turner Retirements	14,321,917	8,629,184	5,692,733	5.5 Yr.
TOTAL	35,550,393	24,269,676	11,280,717	

AMORTIZATION OF EXTENDED
 COLD SHUTDOWN CARRYING CHARGES

	COMMISSION APPROVED	
	Rem. Life	Amortization
	(Yrs.)	(\$)
Avon Park	9.5	74,936
Port St. Joe	8.5	34,246
Rio Pinar	8.5	26,005
Turner	12.6	189,505
Higgins	8.5	166,507
Bartow	12.6	199,526
TOTALS		690,725