



September 15, 2000

Ms. Blanca Bayo
Director of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

ORIGINAL

RECORDS AND REPORTING

00 SEP 20 PM 2:07

RECEIVED-PPSC

Re: Depreciation Rates for Fort Myers

001437-E1

Dear Ms. Bayo:

Florida Power & Light Company (FPL) requests Commission approval to begin depreciating it's Ft. Myers Power Plant using the Whole Life Depreciation Rates currently approved for it's Martin Power Plant, Unit No. 4 and Common effective with the in-service dates of the units.

The Fort Myers Repowering Project involves the installation of six new combustion turbines and six heat recovery steam generators (HRSGs) to supply steam to the existing steam turbines at Units 1 and 2. The new installation will add approximately 1,000 megawatts of generation at the existing site, resulting in a total generation of 1,500 megawatts from the repowered facility. The combustion turbines are manufactured by General Electric Company and have a nominal rating of 165 megawatts each. The HRSGs are manufactured and installed by Foster Wheeler Energy Corporation and are a triple pressure, reheat design. The six combustion turbines will be put in service prior to the overall completion of the repowering. The in-service dates for the various components of the repowering are as follows:

Combustion Turbine 2A	November 1, 2000
Combustion Turbine 2B	December 1, 2000
Combustion Turbine 2C	December 1, 2000
Combustion Turbine 2D	April 1, 2001
Combustion Turbine 2E	May 1, 2001
Combustion Turbine 2F	June 1, 2001
Combined Cycle Operation	June 1, 2002

The Martin Plant Unit 4 combustion turbines are similar to the units being installed at the Fort Myers site. This unit was placed in service in 1994 and the depreciation rates were last approved by the Commission in April 1999. The whole life depreciation rates approved for Martin Unit 4 and Common will provide a realistic capital recovery plan

RECEIVED & FILED

Mur
PPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11824 SEP 20 8

FPSC-RECORDS/REPORTING

until depreciation studies for Fort Myers can be prepared and approved by the Commission. The application of whole life rates for these new units is appropriate since they have not accumulated any depreciation and, being new units, have a remaining life equal to the whole life.

FPL will prepare and file a site specific depreciation and dismantlement study for the Fort Myers site as soon as possible after the combined cycle unit has been put in service and the plant dollars have been unitized. FPL anticipates that it will request that these rates would become effective on January 1, 2003. Therefore, the Martin Plant depreciation rates will only be in effect for a little over two years. The use of these rates for this short period will not significantly affect future recovery over the life of the repowered units.

In summary, FPL proposes to use the whole life depreciation rates approved for Martin Unit 4 and Common until such time as the site specific depreciation for the repowered Fort Myers Plant is reviewed by the Commission.

Attached is a copy of the summary schedule for the most recent change in depreciation rates submitted by FPL in Docket No. 971660-EI and subsequently approved by the Commission for Martin Combined Cycle Plant in Order no. PSC-99-0073-FOF-EI dated April 8, 1999. If you or your staff have any questions, please contact me at (305) 552-4790.

Sincerely,



Donald L. Babka
Director Regulatory and Tax

cc. Pat Lee

attachment

SCHEDULE I

FLORIDA POWER & LIGHT COMPANY
PLANT & RESERVE BALANCES
ESTIMATED BALANCES AT 12/31/97

*** Existing Rates ***

*** Proposed Rates ***

Account Number	Account Description	Estimated Plant Balance At 12/31/97 a	Estimated Reserve Balance At 12/31/97 b	Reserve Ratio c	Reserve Ratio When Approved d	Service Life		Net Salvage g	Depreciation Rate		Estimated Annual Accrual j	Service Life		Depreciation Rate		Estimated Annual Accrual p	Change in Annual Accrual q	
						Average Life e	Remaining Life f		Whole Life h	Remaining Life i		Average Life k	Remaining Life l	Net Salvage m	Whole Life n			Remaining Life o
Martin Combined Cycle Common																		
341.	Structures & Improvements	\$40,082,842	\$10,028,742	25.03%	16.4%	22.0	20.0	-2.0%	4.8%	4.3%	\$1,722,702	21.0	17.8	-4.0%	5.0%	4.4%	\$1,782,785	\$40,083
342.	Fuel Holders, Producers and Accessories	\$3,512,518	\$751,781	21.40%	18.5%	23.0	21.0	-2.0%	4.4%	4.0%	\$140,505	22.0	19.0	0.0%	4.5%	4.1%	\$144,017	\$3,512
343.	Prime Movers	\$28,742,786	\$12,410,302	41.73%	19.9%	8.6	5.1	-2.0%	15.5%	16.1%	\$4,788,585	8.4	5.8	-2.0%	12.1%	10.8%	\$3,212,219	(\$1,578,368)
344.	Generators	\$0	\$0	0.00%	0.0%	0.0	0.0	0.0%	0.0%	0.0%	\$0	0.0	0.0	0.0%	0.0%	0.0%	\$0	\$0
345.	Accessory Electric Equipment	\$4,876,011	\$1,183,954	24.89%	16.4%	25.0	24.0	-1.0%	4.0%	3.4%	\$158,984	25.0	21.0	-1.0%	4.0%	3.6%	\$168,338	\$8,352
346.	Miscellaneous Power Plant Equipment	\$4,078,523	\$1,308,553	32.08%	16.8%	12.6	11.1	-1.0%	8.0%	7.8%	\$310,044	12.6	9.1	0.0%	7.9%	7.5%	\$305,984	(\$4,080)
Total Martin Combined Cycle Common		\$82,073,758	\$25,663,312	31.27%	17.8%	11.7	10.1	-2.0%	6.7%	6.3%	\$7,120,620	13.4	10.4	-2.0%	7.6%	6.8%	\$5,583,301	(\$1,627,519)
Martin Combined Cycle Unit 3																		
341.	Structures & Improvements	\$1,947,931	\$838,389	32.77%	27.0%	25.0	24.0	-2.0%	4.1%	3.1%	\$80,388	24.0	21.0	-4.0%	4.3%	3.4%	\$88,230	\$5,844
342.	Fuel Holders, Producers and Accessories	\$867,253	\$138,815	15.78%	5.8%	21.0	19.4	-2.0%	4.9%	5.0%	\$43,383	21.0	17.4	0.0%	4.8%	4.8%	\$41,828	(\$1,735)
343.	Prime Movers	\$149,542,555	\$22,912,879	15.32%	2.8%	17.3	15.8	-2.0%	5.9%	6.3%	\$8,421,181	18.7	15.3	-2.0%	5.5%	5.7%	\$8,523,928	(\$897,255)
344.	Generators	\$24,478,950	\$4,186,621	17.02%	8.8%	25.0	23.0	-2.0%	4.1%	4.1%	\$1,003,555	24.0	21.0	0.0%	4.2%	4.0%	\$978,078	(\$24,477)
345.	Accessory Electric Equipment	\$19,069,742	\$4,028,947	24.27%	10.5%	14.8	13.1	-1.0%	6.9%	6.9%	\$1,315,812	14.5	11.0	-1.0%	7.0%	7.0%	\$1,334,882	\$19,070
346.	Miscellaneous Power Plant Equipment	\$531,739	\$126,783	23.84%	16.6%	25.0	24.0	-1.0%	4.0%	3.5%	\$18,611	15.0	11.5	0.0%	6.7%	6.6%	\$35,095	\$16,484
Total Martin Combined Cycle Unit 3		\$198,436,170	\$32,810,434	16.60%	4.6%	17.7	16.2	-2.0%	5.8%	6.0%	\$11,882,908	18.7	15.4	-2.0%	5.5%	5.5%	\$10,980,839	(\$882,068)
Martin Combined Cycle Unit 4																		
341.	Structures & Improvements	\$1,876,928	\$812,302	32.62%	26.3%	25.0	24.0	-2.0%	4.1%	3.2%	\$80,082	25.0	21.0	-4.0%	4.2%	3.4%	\$83,815	\$3,753
342.	Fuel Holders, Producers and Accessories	\$853,293	\$134,108	20.53%	11.3%	21.0	19.8	-2.0%	4.9%	4.8%	\$30,051	21.0	17.8	0.0%	4.8%	4.5%	\$29,398	(\$653)
343.	Prime Movers	\$144,928,502	\$27,303,282	18.84%	7.3%	17.8	16.4	-2.0%	5.7%	5.8%	\$8,405,911	18.5	15.1	-2.0%	5.5%	5.5%	\$7,971,123	(\$434,788)
344.	Generators	\$29,283,816	\$4,812,770	16.45%	8.2%	25.0	23.0	-2.0%	4.1%	4.1%	\$1,199,818	25.0	21.0	0.0%	4.0%	4.0%	\$1,170,553	(\$29,283)
345.	Accessory Electric Equipment	\$15,198,687	\$3,538,554	23.28%	9.3%	14.5	13.1	-1.0%	6.9%	7.0%	\$1,063,978	14.5	11.0	-1.0%	7.0%	7.1%	\$1,079,178	\$15,200
346.	Miscellaneous Power Plant Equipment	\$475,879	\$108,415	22.78%	15.7%	25.0	24.0	-1.0%	4.0%	3.6%	\$17,132	15.0	11.5	0.0%	6.7%	6.7%	\$31,884	\$14,752
Total Martin Combined Cycle Unit 4		\$182,369,103	\$38,509,431	18.98%	7.8%	18.4	16.9	-2.0%	5.5%	5.6%	\$10,778,950	18.9	15.4	-2.0%	5.4%	5.4%	\$10,345,951	(\$430,899)
Martin Combined Cycle Site																		
341.	Structures & Improvements	\$43,887,899	\$11,279,433	25.70%	17.4%	22.0	20.0	-2.0%	4.8%	4.2%	\$1,843,150	21.0	18.0	-4.0%	5.0%	4.4%	\$1,892,810	\$49,680
342.	Fuel Holders, Producers and Accessories	\$5,033,182	\$1,022,684	20.32%	14.8%	22.0	21.0	-2.0%	4.8%	4.2%	\$213,919	22.0	18.5	0.0%	4.5%	4.3%	\$215,043	\$1,124
343.	Prime Movers	\$324,214,823	\$82,826,483	19.32%	6.1%	15.3	13.8	-2.0%	6.7%	6.8%	\$22,615,677	18.7	13.4	-2.0%	6.1%	6.2%	\$19,707,268	(\$2,908,409)
344.	Generators	\$53,740,766	\$8,979,391	16.71%	8.5%	25.0	23.0	-2.0%	4.1%	4.1%	\$2,203,371	25.0	21.0	0.0%	4.0%	4.0%	\$2,149,831	(\$53,740)
345.	Accessory Electric Equipment	\$38,945,440	\$9,331,495	23.98%	11.0%	15.4	13.9	-1.0%	6.6%	6.5%	\$2,538,774	15.3	11.7	-1.0%	6.6%	6.6%	\$2,582,396	\$43,822
346.	Miscellaneous Power Plant Equipment	\$5,087,141	\$1,543,751	30.35%	16.8%	14.0	12.5	-1.0%	7.2%	6.7%	\$345,787	13.0	9.5	0.0%	7.7%	7.3%	\$372,943	\$27,156
Total Martin Combined Cycle Site		\$470,908,031	\$94,783,177	20.13%	8.1%	16.5	15.0	-2.0%	6.2%	6.3%	\$29,780,878	17.8	14.2	-2.0%	5.8%	5.8%	\$26,920,091	(\$2,840,887)