

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Depreciation Studies by  
Florida Power & Light Company  
for Specific (Steam) Generation  
Sites.

DOCKET NO. 970785-EI  
ORDER NO. PSC-97-1015-PCO-EI  
ISSUED: August 25, 1997

The following Commissioners participated in the disposition of this matter:

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

ORDER GRANTING REQUEST TO IMPLEMENT  
DEPRECIATION RATES ON A PRELIMINARY BASIS

BY THE COMMISSION:

On June 27, 1997, Florida Power & Light Company (FPL or Company) filed a three-volume depreciation study for six of their steam function generation sites and requested that the revised depreciation rates be approved on an interim basis.

FPL operates steam driven units for power generation at the sites of Cape Canaveral, Fort Myers, Port Everglades, Riviera, Sanford and Turkey Point. The current depreciation rates for these sites were established by Order No. PSC-94-1199-FOF-EI, January 1, 1994.

The next regular comprehensive depreciation study for FPL, as required by Rule 25-6.0436 (8)(a), F.A.C., is due on or before December 31, 1997. This study will treat the recovery position for all plant investment relating to generation, transmission, distribution and general plant functions.

FPL has requested that it be allowed to implement its proposed depreciation rates on a preliminary basis, in accordance with our depreciation rules. Preliminary implementation of rates and amortization is likely to result in a more appropriate level of expense than would accrue from retaining the currently effective rates. This does not and should not imply, however, that, upon completion of the review of these studies, we will be in agreement with the specific life, reserve, and salvage proposals made by the

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FPC-RECORDS/REPORTING

ORDER NO. PSC-97-1015-PCO-EI  
DOCKET NO. 970785-EI  
PAGE 2

Company. The expenses will be trued-up pursuant to final action in this docket.

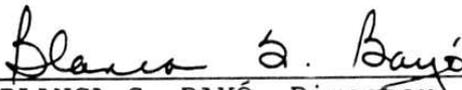
Therefore, we find that Florida Power & Light Company shall be allowed to implement the proposed rates for investment at the six steam generation sites analyzed in the filing, shown on Attachment A, on a preliminary basis at January 1, 1997. The effect of these proposals will increase annual depreciation expense by an estimated \$20 million annually, based on January 1, 1997 investments and reserves. The rates and resulting expenses will be trued-up when final action is taken on this docket.

This Order approves the preliminary booking of depreciation rates beginning January 1, 1997, with provision for a true-up of resulting expenses when final action is taken. The issue regarding appropriate rates cannot be resolved until the Company's filed study has been thoroughly reviewed and analyzed. It is expected that final action on this study will be taken in early 1998. As in Docket No. 941229-TL, the order reflecting our decision on the final depreciation rates will be issued as Proposed Agency Action, affording a point of entry for substantially affected persons.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request to implement, on a preliminary basis effective January 1, 1997, the depreciation rate shown on Attachment A is granted.

By ORDER of the Florida Public Service Commission this 25th day of August, 1997

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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ORDER NO. PSC-97-1015-PCO-EI  
DOCKET NO. 970785-EI  
PAGE 3

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing 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.

Any party adversely affected by this order, which is intermediate in nature, may request judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final nor reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Florida Power and Light Company		Commission Approved
1997 Depreciation Study		Interim Rates
Account		
Cape Canaveral		
	Common	
311	Structures & Improvements	4.7%
312	Boiler Plant Equipment	6.2%
314	Turbogenerator Units	3.7%
315	Accessory Electric Equipment	5.0%
316	Miscellaneous Power Plant Equipment	5.3%
	Unit 1	
311	Structures & Improvements	3.0%
312	Boiler Plant Equipment	8.7%
314	Turbogenerator Units	5.8%
315	Accessory Electric Equipment	5.7%
316	Miscellaneous Power Plant Equipment	3.8%
	Unit 2	
311	Structures & Improvements	3.0%
312	Boiler Plant Equipment	8.1%
314	Turbogenerator Units	3.2%
315	Accessory Electric Equipment	4.5%
316	Miscellaneous Power Plant Equipment	3.6%
Fort Myers		
	Common	
311	Structures & Improvements	5.1%
312	Boiler Plant Equipment	7.5%
314	Turbogenerator Units	4.6%
315	Accessory Electric Equipment	6.3%

	316	Miscellaneous Power Plant Equipment	5.2%
		Unit 1	
	311	Structures & Improvements	2.3%
	312	Boiler Plant Equipment	4.6%
	314	Turbogenerator Units	3.5%
	315	Accessory Electric Equipment	4.2%
	316	Miscellaneous Power Plant Equipment	2.5%
		Unit 2	
	311	Structures & Improvements	2.8%
	312	Boiler Plant Equipment	6.2%
	314	Turbogenerator Units	4.4%
	315	Accessory Electric Equipment	4.3%
	316	Miscellaneous Power Plant Equipment	3.0%
		Florida Power and Light Company	
		1997 Depreciation Study	
			Commission Approved
	Account		Interim Rates
		Port Everglades	
		Common	
	311	Structures & Improvements	5.9%
	312	Boiler Plant Equipment	5.0%
	314	Turbogenerator Units	3.8%
	315	Accessory Electric Equipment	7.6%
	316	Miscellaneous Power Plant Equipment	6.3%
		Unit 1	
	311	Structures & Improvements	3.3%
	312	Boiler Plant Equipment	6.0%
	314	Turbogenerator Units	4.2%
	315	Accessory Electric Equipment	3.8%
	316	Miscellaneous Power Plant Equipment	3.3%

		Unit 2	
	311	Structures & Improvements	3.5%
	312	Boiler Plant Equipment	6.4%
	314	Turbogenerator Units	4.6%
	315	Accessory Electric Equipment	4.2%
	316	Miscellaneous Power Plant Equipment	3.9%
		Unit 3	
	311	Structures & Improvements	5.9%
	312	Boiler Plant Equipment	7.6%
	314	Turbogenerator Units	4.5%
	315	Accessory Electric Equipment	6.8%
	316	Miscellaneous Power Plant Equipment	5.2%
		Unit 4	
	311	Structures & Improvements	5.7%
	312	Boiler Plant Equipment	8.3%
	314	Turbogenerator Units	3.7%
	315	Accessory Electric Equipment	6.7%
	316	Miscellaneous Power Plant Equipment	5.0%
		Riveria	
		Common	
	311	Structures & Improvements	5.2%
	312	Boiler Plant Equipment	8.5%
	314	Turbogenerator Units	3.5%
	315	Accessory Electric Equipment	6.2%
	316	Miscellaneous Power Plant Equipment	6.5%
		Unit 3	
	311	Structures & Improvements	2.6%
	312	Boiler Plant Equipment	8.6%
	314	Turbogenerator Units	5.8%

	315	Accessory Electric Equipment	7.3%
	316	Miscellaneous Power Plant Equipment	8.1%
		Unit 4	
	311	Structures & Improvements	2.6%
	312	Boiler Plant Equipment	7.7%
	314	Turbogenerator Units	5.5%
	315	Accessory Electric Equipment	7.4%
	316	Miscellaneous Power Plant Equipment	7.8%
		Florida Power and Light Company	
		1997 Depreciation Study	
			Commission Approved
	Account		Interim Rates
		Sanford	
		Common	
	311	Structures & Improvements	3.9%
	312	Boiler Plant Equipment	14.2%
	314	Turbogenerator Units	2.9%
	315	Accessory Electric Equipment	8.6%
	316	Miscellaneous Power Plant Equipment	6.6%
		Unit 3	
	311	Structures & Improvements	3.3%
	312	Boiler Plant Equipment	4.3%
	314	Turbogenerator Units	2.3%
	315	Accessory Electric Equipment	2.8%
	316	Miscellaneous Power Plant Equipment	0.5%
		Unit 4	
	311	Structures & Improvements	2.7%
	312	Boiler Plant Equipment	5.6%
	314	Turbogenerator Units	5.4%
	315	Accessory Electric Equipment	7.8%

	316	Miscellaneous Power Plant Equipment	4.3%
		Unit 5	
	311	Structures & Improvements	3.2%
	312	Boiler Plant Equipment	4.5%
	314	Turbogenerator Units	5.7%
	315	Accessory Electric Equipment	6.2%
	316	Miscellaneous Power Plant Equipment	4.7%
		Turkey Point	
		Common	
	311	Structures & Improvements	4.3%
	312	Boiler Plant Equipment	6.1%
	314	Turbogenerator Units	4.2%
	315	Accessory Electric Equipment	4.9%
	316	Miscellaneous Power Plant Equipment	5.4%
		Unit 1	
	311	Structures & Improvements	4.4%
	312	Boiler Plant Equipment	8.6%
	314	Turbogenerator Units	5.3%
	315	Accessory Electric Equipment	5.2%
	316	Miscellaneous Power Plant Equipment	2.9%
		Unit 2	
	311	Structures & Improvements	5.2%
	312	Boiler Plant Equipment	7.0%
	314	Turbogenerator Units	5.5%
	315	Accessory Electric Equipment	4.8%
	316	Miscellaneous Power Plant Equipment	2.9%