



Public Service Commission

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DATE: FEBRUARY 17, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: *lts* DIVISION OF AUDITING AND FINANCIAL ANALYSIS (LEE, SNYDER, SWAIN, DICKENS, DRAPER, MIYAMU, LESTER, SLEMKEWICZ) *PSX*
DIVISION OF ELECTRIC AND GAS (BREMAN) *RUE*
DIVISION OF LEGAL SERVICES (ELIAS) *JL*

RE: DOCKET NO. 990529-EI - PETITION FOR 1999 DEPRECIATION STUDY BY TAMPA ELECTRIC COMPANY.

AGENDA: 02/29/00 - REGULAR AGENDA - PROPOSED AGENCY ACTION EXCEPT FOR PRELIMINARY IMPLEMENTATION OF GANNON REPOWERING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\AFA\WP\990529.RCM
ATTACHMENTS : R:\PSC\123\Dismint1; gannon1; restrfs; tecorecl

CASE BACKGROUND

Rule 25-6.0436, Florida Administrative Code, requires investor-owned utilities to file comprehensive depreciation studies at least once every four years. On April 28, 1999, Tampa Electric Company (TECO or company) filed its regular depreciation study in accordance with this rule. TECO also requested preliminary implementation of its proposed depreciation rates, general plant amortizations, recovery schedules, and fossil dismantlement accrual as of January 1, 1999 in accordance with Rule 25-6.0436(5), Florida Administrative Code. By Order No. PSC-99-1398-PCO-EI, issued July 21, 1999, this request was approved. The docket remained open pending review and Commission action concerning the appropriate depreciation rates and recovery schedules under consideration and a true-up.

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Subsequently, on December 16, 1999, TECO and the Florida Department of Environmental Protection (DEP) entered into a Consent Final Judgement (CFJ) addressing the DEP claims that TECO modified and then operated its generating units at Big Bend and Gannon without first obtaining permits authorizing the modifications and without installing the best available technology to control nitrogen oxides, sulfur dioxides, and particulate matter. The CFJ requires TECO to cease burning coal at the Gannon Station by year-end 2004 and repower some of the units with natural gas. Docket No. 992014-EI has been opened to address the prudence of TECO's planned implementation of the CFJ. The hearing is scheduled for May 30 - June 2, 2000.

The implemented as proposed by TECO, the CFJ will result in a significant portion of the coal-related assets at the Gannon Station being retired by December 31, 2004. This was not reflected in the filed depreciation study. On December 21, 1999, TECO submitted an update to its depreciation study addressing recovery of the planned near-term retirements at the Gannon Station. The company requested that the coal-related assets at Gannon Common and Units 1 through 6 planned for retirement by year-end 2004 be considered in the instant docket and a recovery schedule be implemented effective January 1, 2000 to account for the changes from the initial depreciation study.

TECO filed its response to staff's report regarding its proposed depreciation rates on January 11, 2000. Subsequent to that date, TECO submitted several updates to its data and analyses on January 14, 26, 28, and February 3, 2000. Staff has completed its review of the depreciation study and presents its recommendation herein.

DISCUSSION OF ISSUES

ISSUE 1: Should the depreciation rates approved for preliminary implementation be revised?

RECOMMENDATION: Yes. By Order No. PSC-99-1398-PCO-EI, preliminary implementation of depreciation rates, general plant amortizations, recovery schedules, and fossil dismantlement accrual were ordered. Preliminarily implemented expenses were to be trued-up upon final action by this Commission. Staff has completed its review of the company's study and this is its recommendation for final action. (SNYDER)

STAFF ANALYSIS: The purpose of this study is to determine and provide for the appropriate depreciation rates, amortizations, recovery schedules, and fossil dismantlement accrual for TECO's production, transmission, distribution, and general plant. Staff has completed its analysis and review of the company's depreciation study and is recommending revisions to the rates that were preliminarily approved in Order No. PSC-99-1398-PCO-EI.

ISSUE 2: What should be the implementation date for the recommended rates and recovery/amortization schedules?

RECOMMENDATION: Staff recommends a January 1, 1999, date of implementation for depreciation rates, amortizations, recovery schedules, and fossil dismantlement accruals.

To recognize the impact of the CFJ on the Gannon Station assets, a January 1, 2000, date of implementation is recommended for the preliminary implementation of the associated recovery schedule addressing the now planned retiring assets and additional revised depreciation rates for those assets remaining in service with the repowering.

(LEE)

STAFF ANALYSIS: As a result of the CFJ, TECO provided an update of the depreciation provision for the Gannon Station on December 21, 1999. In the update, TECO proposed that depreciation rates approved on a preliminary basis by Order No. PSC-99-1398-PCO-EI, be used for all accounting and ratemaking purposes in 1999. Additionally, the company proposed that any revisions to the interim approved depreciation rates as well as provision for the Gannon retiring assets be implemented January 1, 2000 rather than January 1, 1999.

In support of its proposal, the company asserts that the Gannon repowering was not known until the end of 1999, and therefore it would be inappropriate to begin recovery of the resulting retiring assets in 1999. Additionally, the company submits that the Stipulation between the Office of Public Counsel, the Florida Industrial Power Users Group, and TECO that was approved by Order No. PSC-96-1300-S-EI on October 24, 1996 precludes proforma adjustments when determining the actual return on equity for calendar year 1999. The company claims that a February 29, 2000, Commission decision in this docket necessitates that its 1999 surveillance report include a proforma adjustment which is not allowed by the Stipulation.

Staff does not agree that a January 1, 1999, implementation date results in a proforma adjustment. Use of staff's recommended implementation date results in the anticipated true-up to actual of an earlier estimate. The earlier estimate is already included in TECO's 1999 operations. There is no restatement of 1999 operations due to abnormal events. The true-up was anticipated and was provided for at the time of preliminary implementation which was effective back to January 1, 1999, as filed by TECO. No adjustments are being made that spread partial period effects over

all of 1999. No out-of-period adjustments are involved. The January 1, 1999 implementation date is not the result of nor does it create an adjustment for attrition. Implementation of the true-up at January 1, 1999, is simply not a proforma adjustment.

Preliminary implementation was approved by Order No. PSC-99-1398-PCO-EI, which also approved the January 1, 1999, implementation date proposed by TECO, for revised rates, recovery/amortization schedules, and dismantlement accruals. Further, the order clearly states that a final recommendation regarding appropriate rates and recovery schedules was to be brought before the Commission in early 2000. It was not until late December that staff received a proposal for a January 1, 2000, implementation date.

The purpose of preliminary implementation of depreciation rates is to permit a more accurate statement of expected expenses during the year. The caveat, as stated in the order, is that these preliminary approved rates and expenses will be trued-up when final action is taken by the Commission. This supports a January 1, 1999, implementation date.

Additionally, Rule 25-6.0436, Florida Administrative Code, requires that data submitted in a depreciation study, including plant and reserve balances or company planning involving estimates, be brought to the effective date of the proposed rates. Reserve sensitive rates (remaining life) are calculated by dividing the amount recovered to date by the estimated remaining years to recover. Therefore, the date of implementation must match the date net plant is calculated. Further, to the extent that unusual plant activity occurs, the average age of the surviving investments can change and, therefore, so will the average remaining life. Except for the impact of the CFJ on the Gannon Station, the only data submitted in this case is as of January 1, 1999. It is clear that these rates and schedules were designed for a January 1, 1999 implementation date.

Depreciation rates should theoretically be revised as soon as circumstances dictate the need for a revision. Since the CFJ was not effective until December 16, 1999 and in light of the Commission's proceeding in Docket No. 992014-EI that will address the prudence of TECO's planned implementation of the requirements of the CFJ, staff agrees with TECO that the earliest practicable date for preliminary implementation of a recovery schedule and revised depreciation rates for the Gannon Station is January 1, 2000. Further, the company provided the necessary data and calculations abutting this date in its December 21, 1999, update.

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Based on the above discussion, staff recommends approval of a January 1, 1999, implementation date for depreciation rates, recovery/amortization schedules, and fossil dismantlement accruals and a January 1, 2000, implementation date for revisions to reflect the CFJ effect on the Gannon Station. However, if the Commission considers TECO's proposal that any revisions to the preliminary approved depreciation rates be implemented January 1, 2000, the company should be directed to update investments, reserve, and planning to abut the January 1, 2000, date. In addition, remaining lives and salvages should be updated to the extent 1999 activity warrants.

ISSUE 3: Should any corrective reserve allocations be made?

RECOMMENDATION: Yes, staff recommends the corrective reserve allocations shown on Attachment A, pages 27 - 29. (LEE, SWAIN)

STAFF ANALYSIS: This study affords staff and the company the opportunity to review the reserve status of all production sites and all transmission, distribution, and general plant accounts to determine the need for corrective reserve measures. Due to the effects reserve transfers may have on jurisdictional separations, purchase power agreements, or other lease arrangements, staff's approach to reserve allocations is that, ideally they be made between accounts of a given unit or function.

In TECO's 1995 depreciation study, reserve allocations were approved as a result of the company's further stratification of the Big Bend and Gannon sites and the related Big Bend combustion turbines to an account level within each unit. For the remaining plant sites, investment and reserve activity continued to be maintained by unit at each plant. In the current study, the company has introduced another refinement by stratifying each unit of the remaining production plants to an account level. With the development of remaining life rates at the account level, TECO proposed a reallocation of the total reserve for each unit to an account level. The company also proposed additional reserve allocations for several accounts within the Distribution and General Plant functions. Each account's reserve was aligned with its theoretically correct level, as developed using the rates and parameters proposed in the company's originally filed study.

Staff's recommended reserve allocations incorporate the depreciation parameters recommended as appropriate in Issue 6 and address major imbalances generally brought about through the stratification of site investments and reserves to an account by unit level and past mis-estimates of life and salvage factors. Further, the allocations address imbalances between accounts of a given unit or function or between accounts and units of the same site. The allocations bring each affected account's reserve more in line with its calculated theoretically correct position. Additionally, staff is not recommending reserve allocations within the Gannon Station due to the near-term retirement of the coal related assets. While there are imbalances between accounts, the station has an overall reserve surplus which can be used to reduce the net unrecovered costs of the coal related retiring assets. Staff recommends approval of the allocations shown on Attachment A.

ISSUE 4: Should any recovery schedules be approved?

RECOMMENDATION: Yes, staff recommends that recovery schedules shown on Attachment D, page 44, and Attachment E, page 48, addressing the unrecovered investments associated with TECO's planned retirement of its Energy Management System, coal classifiers, and the planned retirements associated with the coal related assets at the Gannon Station be approved. (LEE, SLEMKEWICZ, SNYDER, SWAIN)

STAFF ANALYSIS:

Energy Management System

TECO's Energy Management System (EMS) is an installation designed for the specific purpose of facilitating the systematic transmission, distribution, and delivery of electric energy to customers. It monitors the power network, automatically controls generation and interchange, forecasts the power network state, and performs other specialized functions. The current environment of open transmission access and transmission constraints demands flexibility and speed in the company's daily operations. The present EMS technology is approximately 18 years old. Since 1995 TECO has pursued an EMS Strategic Plan to phase out this obsolete equipment by migrating from a mainframe work environment to decentralized, individual workstations which will provide more advanced software applications with greater flexibility. This migration will be complete by year-end 2000 resulting in the retirement of the existing EMS equipment. The company proposed recovery schedule is designed to recover the associated net investment over a two year period beginning January 1, 1999. This schedule will match recovery to the remaining service of the equipment and is acceptable to staff. The investment and reserve as of January 1, 1999 are \$33,144,637 and \$26,703,342, respectively, resulting in a net unrecovered amount of \$6,441,295 to be amortized over two years. The annual expense associated with this recovery schedule is \$3,220,648.

Coal Classifiers

According to the study narrative, the replacement of coal classifiers and the addition of the Big Bend Unit 1 & 2 Scrubber are being installed in connection with the Clean Air Act. The January 1, 1999 investment subject to retirement as a result of this installation is \$414,272 with an associated reserve of \$279,158. It is staff's understanding from information TECO submitted in the Environmental Cost Recovery Clause docket (Docket No. 990007-EI) that the replacement of the coal classifiers occurred at Big Bend Unit No. 1 and Unit No. 2 and at Gannon Unit

No. 5 and Unit No. 6 in December and May, 1998 for the Big Bend units, and December, 1997 and June, 1999 for the Gannon units. The associated \$135,114 unrecovered investment relates to plant no longer in service. For this reason, staff believes a recovery schedule designed to recover the investment as fast as economically practicable for the company should be addressed.

TECO disagrees with the need for a recovery schedule addressing these net remaining investments. The company believes the related net unrecovered investment is not significant enough to warrant a recovery schedule. Furthermore, the company asserts that such a recovery schedule will result in increased expenses greater than the related annual recovery from base rates. TECO therefore believes that, if a recovery schedule is approved, the incremental revenue recovery should be provided through the ECRC.

Staff believes a recovery schedule is indicated in this instance even though the net investment is only \$135,114. These assets have already retired and the resulting under-recovery relates to a negative component in the reserve. The company will continue earning a return on this plant no longer in service until the deficiency is corrected. At this time, recovery will be achieved over each unit's remaining life averaging about 17 years. Ratepayers who do not receive continuing benefits from these assets will continue to bear the burden of their recovery. This argues for recovery as fast as economically practicable. A review of the company's 1999 earnings indicates that the company can amortize this deficiency during 1999 and still earn within its currently authorized range of rate of return. Staff therefore recommends these net investments be amortized during 1999.

Gannon Retirements

On December 16, 1999, TECO reached an agreement with the DEP to cease burning coal at Gannon Station by year-end 2004 and repower certain of its units with natural gas. According to the company, the effect of this agreement will result in the retirement of many of the coal related assets at Gannon. The current plan is to repower the coal-fired Units 3, 4, and 5 with gas fired combined cycle technology using the existing combustion steam turbines. After these units are repowered, the original boilers of Units 1 through 5 and the station's coal handling system will be retired and the Gannon Station will be natural gas fueled with fuel oil capability.

According to the company, initial detailed engineering for the project will begin this month. Phase I will place Unit 5 into commercial operation in mid-2003. Phase II will include the

repowering of Units 3 and 4, currently anticipated in mid-2004. The steam turbine equipment at Units 1 and 2 will be placed on reserve standby by year-end 2004 in expectation of a need for additional phases. At the completion of Phase II, the total station capacity will increase from about 1,150 MW to 1,475 MW.

At this time, TECO plans to place Unit 6 on reserve standby to be used as emergency capacity. The company asserts that this unit can be quickly converted to burn natural gas if additional capacity is needed for a time while other units are on an unplanned outage or if load growth exceeds current projections. Additionally, the capacity provides back-up while the new, repowered units are in the initial period of operation. TECO states that keeping the assets and Unit 6 in service will provide the operating flexibility needed to ensure reliability. Further, the company will continue to monitor the viability of the plan for Unit 6 and will provide details of any changes to the Commission.

The company has estimated the investment and reserve as of January 1, 2000, associated with the plant currently anticipated to be retired as a result of the repowering project to be \$287,686,788 and \$221,428,929, respectively. No removal costs are anticipated as the company states that it will be unnecessary to physically remove the retired assets in order to complete the repowering project. These assets are anticipated to remain at the station and be removed when the station is retired and dismantled. The company has proposed a recovery schedule for the net investment of \$66,257,859 for the retiring assets to begin January 1, 2000, and conclude December 31, 2004, coinciding with the date coal will no longer be burned at Gannon pursuant to the agreement with the DEP. Additionally, the company believes January 1, 2000, is the earliest, most practical date to implement recovery given approval of the agreement with the DEP in December, 1999.

The company forecasts that \$7.5 million will be added at the Gannon Station prior to repowering. These short-lived additions are needed to maintain the reliability of the system and to protect the safety of the employees at the site. The company proposes that these additions be recovered over the period the equipment will be serving the public; i.e., 2000 additions amortized over the 2000-2004 period, 2001 additions amortized over the 2001-2004 period, 2002 additions amortized over the 2002-2004 period, 2003 additions amortized over the 2003-2004 period, and the 2004 additions amortized during 2004.

To assure full recovery of the net investment and forecasted additions subject to retirement by year-end 2004, staff recommends

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that the expense for each month should be obtained by dividing net plant of each unit for that month by the months remaining in the amortization period. Staff believes this will provide flexibility of retirement recovery in the event of changes in estimates. Additionally, this recovery approach has been followed by the Commission in prior telecommunications depreciation cases.

Based on the above discussion, staff recommends that a recovery schedule be approved on a preliminary basis, effective January 1, 2000, subject to the decision in Docket No. 992014-EI. Staff will bring this schedule back to the Commission for a true-up of associated investments and expenses for 2000 that will reflect the prudence decision.

ISSUE 5: What is the appropriate annual provision for dismantlement?

RECOMMENDATION: Staff recommends a 1999 provision for dismantlement of \$7,153,489 as shown on Attachment B, page 30. This represents a \$378,014 decrease in the preliminary approved accrual of \$7,531,503 and approximately a \$3 million total decrease in the dismantlement provision approved in 1995.

Additionally, staff recommends, beginning January 1, 2000, an annual dismantlement provision for the Gannon Station of \$711,297 to reflect the plan for repowering as discussed in Issue 5. Further, staff recommends an annual dismantlement provision of \$235,177 for the Big Bend Unit 1 & 2 Scrubber with an in-service date of January 1, 2000. The effect of repowering the Gannon Station and the addition of the Big Bend Unit 1 & 2 Scrubber will result in a 2000 provision for dismantlement of \$5,660,618. This represents an additional decrease of about \$1.5 million over the 1999 dismantlement accruals.

For other plant under construction, staff recommends an annual provision for dismantlement of \$109,196 for Polk Unit No. 2 and for any other new combined cycle units planned for service during the 1999-2002 period to begin when each unit goes into service. (LEE, DICKENS, DRAPER, LESTER)

STAFF ANALYSIS: By Order No. 24741, issued July 1, 1991, in Docket No. 890186-EI, the Commission established the methodology for accruing the costs of dismantlement. Electric utilities are required to file dismantlement studies at least once every four years in connection with their depreciation studies. The methodology depends on three factors: estimated base costs of dismantling the fossil-fueled plants, projected inflation, and a contingency factor.

By Order No. PSC-99-1398-PCO-EI, an annual dismantlement provision of \$7,531,503 that incorporated a 20% contingency factor was approved for preliminary implementation purposes. This provision was subsequently found to be understated by about \$451,000 because of staff's reliance on data believed to be the Winter 1999 inflation forecast. TECO's proposed annual accrual for the provision of dismantlement of fossil-fueled generating plants is \$6,295,975 and represents a decrease of \$3,822,825 from the annual accrual of \$10,118,800 approved in the last dismantlement study. The accrual decrease is attributed to use of a lower contingency factor and lower inflation forecasts.

In TECO's last dismantlement study, a reduction in the dismantlement provision was indicated, but the company requested that the annual accrual remain at the previous level and an accrual be approved for the Polk Power Station. The company believed that reducing the annual dismantlement accrual was premature due to the limited recovery at that time for dismantlement, and the uncertainty of the long-term outlook of the Data Resources Incorporated indices. At this time, the company believes that after an additional four year period the reduction is warranted based on its dismantlement reserve position and the continued trend of the DRI indices.

Since the last study, TECO's base cost estimates for the various dismantlement activities have changed. The 1994 study indicated base cost estimates of \$85.6 million excluding Polk Unit 1; current cost estimates are \$92.4 million excluding Polk Unit 1 and \$110.3 million including Polk Unit 1. According to the company, Wharton Econometrics Forecasts Associates (WEFA) inflation indices were used rather than DRI indices in the calculation of its proposed dismantlement accrual. Additionally, the company used a 20% contingency factor in the last study; a 10% contingency factor is used in the current study.

In the current filing, TECO has proposed that the Commission recognize the decrease in projected inflation as indicated by an additional four year period of DRI indices. The company believes that the continued trend of the DRI indices warrants a reduction in the annual dismantlement accrual. Additionally, the company proposes decreasing the contingency factor from 20% to 10%.

TECO's proposed 10% contingency factor is comprised of 5% for quantity variations and 5% for pricing variances. The company states that as of December 31, 1998, the accumulated dismantlement reserve is \$85,465,982 compared to a total dismantling estimate of \$121,366,655, inclusive of a 10% contingency. TECO believes this position provides it with a reserve ratio of over 70% and enough capital to dismantle all of its units with the exception of the Polk Power Station and the Big Bend Unit No. 4, the newest units. For this reason, the company believes a 10% contingency factor is appropriate.

The company believes that a contingency factor is not really necessary since a professional dismantlement contractor provided the necessary information and rates to complete the dismantlement study. According to TECO, the contractor would contract the dismantlement of its units for the prices quoted and a final true-up for actual quantities removed as compared to the estimated

quantities depicted in the dismantlement studies. Although TECO does not believe any contingency is necessary, the company asserts that a 10% contingency factor was included because of recent Commission decisions regarding dismantlement. TECO maintains that any higher contingency is not warranted based on the preparation of the dismantlement study, the current dismantlement reserve status, and the continued forecast of favorable escalation indices in the short term and long term future.

Staff notes that in TECO's last dismantlement study, increases in base costs were more than offset by decreases in projected inflation. At that time, TECO stated "with the uncertainties inherent in estimating the cost of dismantling a plant fifty years in the future, the company feels it is too early to begin to reduce accruals for this cost." Further, the company opined that if the decrease in inflation projections were recognized, a 20% contingency factor should be used to mitigate the reduction to the annual accrual. As a result, no change in the dismantlement accrual levels was made. The assumptions inherent in the 1995 prescribed accruals were base cost estimates resulting from a 1991 site specific dismantlement cost study, a 20% contingency factor, and inflation indices based on the 1991 DRI Summer forecast.

A contingency is defined in the American Association of Cost Engineers' Cost Engineers' Notebook as a "specific provision for unforeseeable elements of cost within the defined project scope; particularly important where previous experience relating estimates and actual costs has shown that unforeseeable events which will increase costs are likely to occur." Such unforeseeable events include bad weather, labor strikes, equipment failure, and other unforeseen circumstances. Contingencies are not a means to "cushion" estimates or to account for inflation. They are used solely to assure that adequate funds are available in the event that something unpredictable as well as costly occurs while in the process of dismantling a fossil-fueled generating plant.

The contingency factor is commonly a weighted average of the item-by-item contingency factors applied to plant-specific categories in the cost estimate. The individual item contingency factors usually reflect the degree of uncertainty associated with each cost estimate. Staff agrees with TECO that updating dismantlement cost estimates every four years should certainly minimize the unforeseen components of costs but staff also believes that such updates will not completely eliminate unforeseen events. Staff asserts that contingency factors are found in nearly all engineering, consulting, construction, and demolition estimates as an appropriate provision in cost estimates.

Staff notes that initial dismantlement cost estimates filed by utilities in accordance with Order No. 24741 included a 20% contingency factor. Since that time, contingency factors have generally decreased. The most recent utility to revise its dismantlement accruals was Florida Power and Light Company (FPL) in Docket No. 981166-EI. Order No. PSC-00-0293-PAA-EI, issued February 14, 2000, approved a revised dismantlement provision for FPL that included a 16% contingency factor. By Order No. PSC-98-0921-FOF-EI, issued July 7, 1998, in Docket No. 970643-EI, the Commission approved a revised dismantlement provision for Gulf Power Company that included a 10% contingency factor. The current dismantlement provision for Florida Power Corporation was approved by Order No. PSC-94-1331-FOF-EI, issued October 27, 1994, in Docket No. 931142-EI, where the Commission denied a decrease in the contingency factor and maintained the factor at 20%.

Staff remains concerned with decreasing the annual accrual when the decrease is totally due to projections of inflation and a decrease in the contingency factor. The preliminary implementation resulted in an annual decrease in the dismantlement provision of approximately \$2.6 million, all of which is related to lower DRI forecasts even though the actual dismantlement base cost estimates increased. Nevertheless, it does appear that the 20% contingency estimate has decreased over time. For this reason, staff recommends use of a 15% contingency factor. Updating for the most current DRI indices, Summer 1999, and using a 15% contingency results in an annual dismantlement accrual of \$7,153,489 as shown on page 34. This reflects a decrease of \$378,014 from the annual accrual approved on a preliminary basis of \$7,531,503. Given that the preliminary approved provision was understated by about \$451,000, the impact of changes in DRI forecasts is a net increase of about \$138,000. The impact of moving from a 20% to a 15% contingency factor is about \$500,000.

TECO has proposed a dismantlement provision be approved for new plants that are expected to be in-service during the next four year period. The annual provision will be implemented at the in-service date of the given plant. Detailed site specific dismantlement studies will be provided upon completion of the property unit records. For the Big Bend Unit 1 and 2 Scrubber that went into service January 1, 2000, dismantlement base cost estimates of \$2,418,000 have been estimated based on dismantlement estimates for the Big Bend Unit No. 4 FGD. The annual dismantlement provision using a 15% contingency factor and the Summer 1999 DRI inflation forecast results in a staff recommended annual provision of \$235,177. For Polk Unit 2 with an expected in-service date of 2001 and any other new combined cycle plants, the

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company has estimated dismantlement base costs of \$1,863,000 which is consistent with estimates for Polk Unit 1. The annual dismantlement provision using a 15% contingency and the Summer 1999 DRI inflation forecasts results in a staff recommended annual provision of \$109,196.

Additionally, staff recommends a revised annual dismantlement accrual for the Gannon Station to recognize the impact of the CFJ. As discussed in Issue 2, the revised accrual should be implemented January 1, 2000. The repowering is expected to result in an extended 40-year life span for the station which results in a \$2.4 million decrease in the annual dismantlement provision.

ISSUE 6: What are the appropriate depreciation rates and amortization schedules?

RECOMMENDATION: The staff recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment C, pages 31-36. Attachment D, pages 37-44, shows the estimated resultant annual expenses of about \$136.1 million, based on actual January 1, 1999 investments and reserves. This represents a decrease of about \$720,000 compared to the effect from rates preliminarily ordered. Expenses should be trued-up accordingly. For information, the preliminary implementation resulted in an annual decrease in expense of about \$857,000.

The recommended lives, net salvages, reserves, and resulting rates for the investments remaining in service at the repowered Gannon Station and also for the new Big Bend Unit 1 & 2 Scrubber are shown on Attachment E, pages 45-48. The estimated resultant annual expenses shown on pages 47-48 are based on estimated January 1, 2000 investments and reserves and reflect a net annual increase in expenses of about \$6.4 million over 1999 depreciation expenses. (LEE, SNYDER, SWAIN)

STAFF ANALYSIS: Staff's recommendations are the result of a comprehensive review of the company's submitted study. Attachment C, pages 32-37, shows a comparison of rate components (lives, salvages, and reserves) between those approved on a preliminary basis and those recommended by the company and staff for final action. Attachment D, pages 38-45, shows the estimated resultant 1999 annual expenses. Attachment E, pages 46-49, shows a comparison of rate components and resulting expenses for the Gannon Station repowering and the new Big Bend Unit 1 & 2 Scrubber to be implemented January 1, 2000. Reserve positions have been restated to reflect the corrective action recommended in Issue 3.

As a result of the review and analytical process, there is agreement between the staff and TECO on many life and salvage parameters for the transmission, distribution, and general plant accounts, as shown on Attachment C. Differences between the positions of the staff and TECO exist mainly in the production function and reserve allocations.

A summary of the changes based on January 1, 1999, investments resulting from the recommended depreciation rates and recovery/amortization schedules which are shown on Attachment D are as follows:

Functional Classification	(\$)
Production	(1,840,810)
Transmission	314,113
Distribution	185,825
General Plant Amortization	500,718
Recovery Schedules	119,837
Total Change in 199 Annual Expenses Over Preliminary Approved	(720,317)

INVESTMENT/RESERVE TRANSFERS

As part of the company's data submitted with its depreciation study, staff noted that transfers of plant do not always include a commensurate transfer of reserve. TECO responded that in instances where no reserve was transferred with transfers of investment, it was considered to be immaterial.

The Federal Code of Regulations, Subchapter C, Part 101, Electric Plant Instructions, Section 1, Transfers of Property, provides that when property is transferred from one plant account to another, there is also a transfer of the accumulated reserve. There is no materiality threshold mentioned. Also, from conversations with the Federal Energy Regulatory Commission (FERC) staff, it is staff's understanding that no materiality threshold regarding such transfers should be allowed.

Staff believes that the company's practice of not transferring the reserve associated with transferred investment is in conflict with standard depreciation principles and practices, as well as FERC's Uniform System of Accounts. As long as the investment dollars are in a given account, those dollars are accruing depreciation, and that accumulated amount should be transferred with the associated plant amount. The practice TECO appears to be following essentially assumes that the investment transferred is new plant without any reserve. This will overstate the reserve for the account from which the transfer originated and will understate the reserve for the receiving account.

In TECO's January 11, 2000, response to staff's report regarding the current depreciation study, TECO agrees to transfer the accumulated reserve when property is transferred from one plant account to another, regardless of materiality.

PLANT UNDER CONSTRUCTION

TECO currently has major additions under construction - Big Bend Unit No. 1 & 2 Scrubber and Polk Unit No. 2. The Big Bend Unit No. 1 & 2 Scrubber has a planned in-service date of January 1, 2000 with an estimated retirement date of 2023, coinciding with the expected retirement of Unit 2. Polk Unit No. 2 is planned for service year-end 2000 with an estimated retirement date of 2041. Additionally, TECO plans to place additional combustion turbines within the next few years, although the exact type of generation and cost estimates are not available. The company has proposed depreciation rates to be used when the respective equipment is placed into service with detailed life analyses to be performed upon completion of the property records.

Because the related equipment is not in-service at this time, staff recommended rates reflect whole life depreciation rates.

Big Bend Unit 1 & 2 Scrubber: TECO's life and salvage proposals (23-year life, negative 13% net salvage, and 4.9% depreciation rate) are based on stratification similar to that used for the Big Bend Unit No. 4 FGD System with an interim retirement rate similar to that used for Account 312, Boiler Plant Equipment, since the majority of investment is anticipated to be recorded in this account. Staff's recommended 24-year life and negative 11% net salvage resulting in a 4.6% depreciation rate assumes a mix of investment similar to that for the Big Bend Unit No. 4 FGD System and a corresponding interim rate relating to that mix.

Polk Unit No. 2: Polk Unit No. 2 is to be a natural gas-fired unit and will not be subject to the same corrosive conditions as Polk Unit No. 1 since it is not expected to have a coal gasification process. TECO's proposals (26-year life, negative 11% net salvage, and 4.3% depreciation rate) are based on stratification similar to that used for Polk Unit No. 1. An interim retirement rate and net salvage value similar to that used for Polk Unit No. 1, Turbogenerator Units, Accounts 343, was assumed since the majority of investment is expected to be recorded in this account. Assuming a similar mix of investment as for Polk Unit No. 1 without being subject to the same corrosive conditions, Staff finds these proposals reasonable.

New Combustion Turbines: TECO proposes that any new combustion turbines placed in service during the next four-year period use the same life and salvage values as it proposed for Polk Unit No. 2. The company proposed lives are in the range of lives estimated for new combined cycle units in the state and are acceptable.

PRODUCTION PLANT

The most significant changes in depreciation rates are seen in the production plant area. This is also the area where there are differences between the positions of the staff and the company.

TECO has utilized its continuing property record system to develop stratified categories expected to have homogenous life characteristics. The life of the account is then arrived at by compositing the life expectations of the various strata. This approach provides a more accurate determination of the required depreciation components than the historical approach of arriving at the pattern of interim retirement and life expectancy of the generating plant without identifying the contents or quantifying the varying life characteristics of the contained assets.

The main difference between the positions of the company and staff lies in the development of the interim net salvage. Staff utilized an interim retirement pattern for net salvage matching the retirement pattern the company used in its life analyses. For example, the life analyses submitted in the study for Big Bend assumes an interim retirement pattern indicating that about 6% of the current investment will retire over the remaining life span of the unit. However, the company's net salvage analyses indicates 10% of the investment will retire over the remaining life span. According to the company, the retirement patterns used in its life analyses were based on input from production plant engineers whereas the retirement assumptions for the net salvage analyses were not. Staff believes that the same retirement assumptions used in the development of life factors should be used in the net salvage analyses. Therefore, staff's net salvage recommendations are based on similar interim retirement patterns that were used in the company's development of life factors.

A recovery schedule addressing the net investment associated with the replaced coal classifiers recommended in Issue 5 requires removal of the investment and reserve remaining in Account 312 from each affected unit.

Steam Production - Staff recommendations for the steam production plants are based on the underlying elements of the company's

proposals which reflect a refinement of the stratification to the account level for each unit at the Hookers Point and Dinner Lake stations. The company's proposed life factors are within the range of reasonableness although staff believes the projected pattern of interim retirements is rather conservative. Staff net salvage recommendations are developed using the same interim retirement pattern as the company used in its development of life factors.

Hookers Point has an estimated date of final retirement of year-end 2003. The company points out in the study narrative that the retirement date is consistent with its ten year site plan but does not represent firm plans. It appears to staff that firm planning should exist for a retirement anticipated in the company's 5-year horizon. In the case where such planning supports the retirement date, staff agrees with the company that a recovery schedule designed to amortize the associated remaining net unrecovered investment over a period matching the remaining years of service would be the most appropriate action. However, without such firm plans, staff recommended lives are those shown on Attachment A. Where the average age of the given life category exceeded the estimated life, staff rolled the related investments into the next longer life category. When retirement plans become firm, the company should review the recovery status of these assets and petition the Commission for any revisions necessary to assure recovery by the time of retirement.

Miscellaneous Production - The company proposed life factor for Structures and Improvements is within the range of reasonableness and acceptable to staff. In developing a net salvage factor, staff utilized the same interim retirement pattern as the company used in the determination of the remaining life.

Other Production - The company proposals reflect a refinement of its stratification to the account level for each unit.

Big Bend and Gannon Combustion Turbines: Staff recommended life parameters for each account recognize the underlying elements of the company's proposal. Staff notes that some of the 25 and 20-year life categories have ages exceeding 25 and 20 years. In cases such as these, a longer lived category should be considered as the company did for the steam production plants unless there are firm plans for near-term retirement. Staff's life recommendations reflect the reassignment of these assets to the next longer life category. The staff recommended net salvage proposals have been developed using the same interim retirement pattern as used in the development of the remaining lives.

Phillips Station: The only difference in the staff and company positions relates to the net salvage development. Staff's recommendations are in accord with using similar retirement patterns as used in the life development.

Polk Power Station: At the time of TECO's last depreciation review, the company expected Polk Unit No. 1 to experience similar life characteristics as its other major generating units. This unit went into service in September, 1996, and has an estimated retirement date of year-end 2036.

According to the study narrative, Polk Unit No. 1 is different from TECO's other units. The company asserts that the nature of this plant with its chemical processes requires a life analysis that is sensitive to the more corrosive atmosphere under which this type of unit will be operating. The life analysis presented in the current study represents the company's first analysis of this unit at an asset level as the life analysis presented in the previous study was at a site level. This initial stratification may need some revision with experience, the estimated service lives may likewise need to be revised with time. As with other units, TECO stratified the assets at Polk Unit 1 into various categories expected to live in different patterns. Those assets expected to be common facilities as other units are placed in-service at the Polk site were assigned a full life span of 50 years. A 5-year life was assigned the combustion section of the combustion turbine and other equipment most exposed to a corrosive environment. A 40-year life span was assigned to the power block structures and other long life assets. TECO believes that this plant should have a full life span of 40 years rather than 50 years assigned to its other major units.

Staff finds the company's life proposals within the range of reasonableness. For net salvage, staff utilized the same approach as used with other production plants. The interim retirement pattern utilized in the life analyses was also utilized in the net salvage analyses.

Gannon Repowering - Attachment E, pages 45-48, shows the recommended depreciation factors and estimated expenses for the assets now expected to remain in-service with the Gannon repowering. The recommended lives reflect that repowering will extend the life of the station by about 40 years while various stratified asset categories will continue to experience a shorter life. The company's proposed life factors are within the range of reasonableness and acceptable to staff. In developing the net

salvage factors, staff utilized the same interim retirement patterns as used in the determination of lives.

DISTRIBUTION, TRANSMISSION, AND GENERAL PLANT

The life and salvage parameters TECO proposed for many of the accounts in these functions reflect the status quo. In other words, the service life and salvage values approved in the last represcription are being maintained. The recommended remaining lives simply reflect an update of activity.

Minor differences between the positions of the company and staff with respect to remaining lives exist in Account 355 (Poles and Fixtures), Account 356 (Overhead Conductors and Devices), Account 364 (Poles, Towers, and Fixtures), and Account 365 (Overhead Conductors). Staff recommended lives are the result of utilizing mortality dispersion curves that are more indicative of the expected retirement pattern for the related equipment as generally seen from electric utilities in the state.

For Account 369.1 (Overhead Services), there is a difference between the positions of the company and staff with respect to the remaining life and the net salvage value. This account has experienced very little retirement activity with the most recent five years averaging less than 1%. This type of activity makes reliance on industry averages for life and salvage necessary. While the 33-year service life is within the range of reason, Staff used a retirement pattern that is more indicative of the expected activity as seen from other electric utilities in the state.

TECO proposes maintaining the currently prescribed negative 50% net salvage for overhead services. Typically, this type of equipment incurs removal costs and realizes little scrap salvage upon retirement. Although the removal of overhead plant is generally labor intensive, TECO has experienced minimal negative net salvage, with the last four years averaging near zero. Other Florida utility companies have prescribed net salvage factors ranging from negative 15% to negative 60%. Staff believes some decrease in net salvage is in order and recommends a negative 20% with careful monitoring of the account.

The accounting treatment utilized for meters, Account 370, is cradle-to-grave in which a meter is capitalized upon purchase and is not retired until the meter can no longer be refurbished and is finally junked. The Federal Code of Regulations, Subchapter C, Part 101, Electric Plant Accounts, Account 370, Meters, states that the cost of removing and resetting meters shall be charged to

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Account 586, Meter Expenses. Accordingly, one would expect very little gross salvage and removal cost to be realized upon retirement unless there are special conditions. TECO asserts that its removal costs are due to labor and transportation charges incurred with removing the meter from the customer's premise. Staff believes that these removal costs should be expensed under the Code of Federal Regulations. The decision whether the meter can be refurbished is not made until the meter is taken to the shop for inspection. At that time, if it is determined that the meter cannot be refurbished, it is retired and junked. Staff believes that the cost of removal, as applicable to meters, relates to final disposal costs when the meters can no longer be repaired and are thus retired. Removal costs should not include costs incurred with removing the meter from the location and sending it to the repair shop. Accordingly, staff recommends a zero net salvage.

The staff recommended remaining life for Account 392.01 (Automobiles) is the result of using a 7-year average service life which is in line with the weighted average age of the automobiles retired during the most recent three year period. Using an R3 curve shape and a 6.6 year average age results in an average remaining life of 1.6 years.

ISSUE 7: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

RECOMMENDATION: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending December 31, 2000. (IYAMU)

STAFF ANALYSIS: In earlier issues, staff recommends revisions to the company's remaining lives, to be effective January 1, 1999. Revising a utility's book depreciation lives generally results in a change in its rate of ITC amortization and flowback of EDIT in order to comply with the normalization requirements of the Internal Revenue Code (IRC) and underlying Regulations (REGs) found in Sections 46, 167, and 168 and 1.46, 1.67, and 1.68, respectively.

Section 46(f) (6), IRC, states that the amortization of ITCs should be determined by the period of time actually used in computing depreciation expense for rate making purposes and on the regulated books of the utility. Since staff is recommending a change in remaining lives, it is also important to change the amortization of ITCs to avoid violation of the provisions of sections 46 and 1.46, IRC and REGs, respectively.

Section 203(3) of the Tax Reform Act of 1986 (the Act) prohibits rapid flowback of depreciation related (protected) EDIT. Further, Rule 25-14.013, Accounting for Deferred Income Taxes Under SFAS 109, Florida Administrative Code, generally prohibits EDIT from being written off any faster than allowed under the Act. The Act, SFAS 109, and Rule 25-14.013, Florida Administrative Code regulate the flowback of EDIT. Therefore, staff recommends that the flowback of EDIT be adjusted to comply with the Act, SFAS 109, and Rule 25-14.013, Florida Administrative Code.

Staff, the Internal Revenue Service, and independent outside auditors look to a company's books and records and at the orders and rules of the jurisdictional regulatory authorities to determine if the books and records are maintained in the appropriate manner and to determine the intent of the regulatory bodies in regard to normalization. Therefore, staff recommends that the current amortization of ITCs and the flowback of EDIT be revised to reflect the approved remaining lives. In order for there to be a clear

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audit trail, a prudent utility will revise ITCs and EDIT amortization and produce work papers to show how the revisions were made.

ISSUE 8: Should this docket be closed?

RECOMMENDATION: No. If staff's recommendation is approved, this docket should remain open, pending the determination of prudence of TECO's planned implementation of the CFJ in Docket No. 992014-EI. The depreciation rates, recovery/amortization schedules, and fossil dismantlement accruals for all other accounts and plant sites should become final upon issuance of a consummating order if no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period. (ELIAS)

STAFF ANALYSIS: This recommendation addresses the preliminary implementation of a recovery schedule, fossil dismantlement accruals, and depreciation rates for the Gannon Station reflecting TECO's planned implementation of the CFJ as well as final depreciation rates, recovery/amortization schedules, and fossil dismantlement accruals for all other accounts and plant sites. Implementation of the rates, recovery schedule, and dismantlement accruals associated with the Gannon repowering will begin January 1, 2000, with a provision for a true-up of resulting expenses and subject rates when final Commission action is taken. Staff expects to bring a recommendation to the Commission for final action on these proposals after the decision in Docket No. 992014-EI is final. The Order resulting from staff's recommendation on final action regarding the Gannon Station will be issued as Proposed Agency Action affording a point of entry for substantially affected persons.

The recommendations regarding depreciation rates, recovery/amortization schedules, and fossil dismantlement accruals for all other accounts and plant sites should become final upon issuance of a consummating order at the conclusion of the protest period, if no timely protest is filed.

**TAMPA ELECTRIC COMPANY
 1999 DEPRECIATION STUDY
 RESERVE ALLOCATIONS**

ACCOUNT	STAFF RECOMMENDED		
	1/1/199 RESERVE	RESERVE ALLOCATION	RESTATE RESERVE
	(\$)	(\$)	(\$)
STEAM PRODUCTION			
BIG BEND STATION			
Common			
312400 Boiler Plant	22,551,227	(551,897)	21,999,330
Unit 1			
311410 Structures	3,390,052	438,624	3,828,676
312410 Boiler Plant	21,567,995	2,696,876	24,264,871
314410 Turbogenerators	12,651,164	(380,978)	12,270,186
315410 Acces. Electric Equipment	4,479,198	(57,646)	4,421,552
Unit 2			
312420 Boiler Plant	21,090,104	1,977,089	23,067,193
Unit 3			
312430 Boiler Plant	43,852,977	(2,353,888)	41,499,089
Unit 4			
312440 Boiler Plant	67,246,424	8,238,512	75,484,936
Unit 4 FGD			
311450 Structures	6,805,375	(120,904)	6,684,471
312450 Boiler Plant	54,567,854	(10,006,692)	44,561,162
316450 Miscellaneous	105,567	120,904	226,471
TOTAL BIG BEND	258,307,937	0	258,307,937
HOOKERS POINT STATION			
Common			
311600 Structures	1,717,293	1,902,610	3,619,903
312600 Boiler Plant	2,023,729	2,093,153	4,116,882
314600 Turbogenerators	444,210	328,585	772,795
315600 Acces. Electric Equipment	695,889	1,482,294	2,178,183
316600 Miscellaneous	862,335	543,001	1,405,336
311670 Amortizable Tools	104,481	87,858	192,339
Unit 1			
311610 Structures	2,020,291	(989,600)	1,030,691
312610 Boiler Plant	2,603,084	404,471	3,007,555
314610 Turbogenerators	2,716,981	(561,906)	2,155,075
315610 Acces. Electric Equipment	921,757	(251,567)	670,190
316610 Miscellaneous	150,599	(75,192)	75,407
Unit 2 & 3			
311620 Structures	1,589,274	(837,874)	751,400
312620 Boiler Plant	8,455,549	(2,939,936)	5,515,613
314620 Turbogenerators	5,296,078	(1,352,771)	3,943,307
315620 Acces. Electric Equipment	1,173,632	(195,418)	978,214
316620 Miscellaneous	75,047	(30,286)	44,761
Unit 4			
311640 Structures	1,211,929	(427,619)	784,310
312640 Boiler Plant	2,566,791	(302,708)	2,264,083
314640 Turbogenerators	3,505,355	(415,583)	3,089,772
315640 Acces. Electric Equipment	737,332	(58,315)	679,017
316640 Miscellaneous	56,296	(16,426)	39,870
Unit 5			
311650 Structures	1,634,826	(497,947)	1,136,879
312650 Boiler Plant	3,066,051	2,102,889	5,168,940
314650 Turbogenerators	4,112,708	162,069	4,274,777
315650 Acces. Electric Equipment	1,182,820	(136,253)	1,046,567
316650 Miscellaneous	61,882	(17,529)	44,353
TOTAL HOOKERS POINT	48,986,219	0	48,986,219

**TAMPA ELECTRIC COMPANY
 1999 DEPRECIATION STUDY
 RESERVE ALLOCATIONS**

ACCOUNT	STAFF RECOMMENDED		
	1/1/199 RESERVE (\$)	RESERVE ALLOCATION (\$)	RESTATE D RESERVE (\$)
DINNER LAKE STATION			
311110 Structures	12,590	543,959	556,549
312110 Boiler Plant	3,406,380	(1,964,941)	1,441,439
314110 Turbogenerators	10,538	1,050,166	1,060,704
315110 Acces. Electric Equipment	10,098	340,104	350,202
316110 Miscellaneous	1,059	30,712	31,771
TOTAL DINNER LAKE	3,440,665	0	3,440,665
TOTAL STEAM PRODUCTION	310,734,821	0	310,734,821
OTHER PRODUCTION			
BIG BEND STATION			
Combustion Turbine 1			
341410 Structures	81,793	(12,914)	68,879
342410 Boiler Plant	112,440	(14,372)	98,068
344410 Turbogenerators	1,257,844	(51,703)	1,206,141
345410 Acces. Electric Equipment	137,353	80,309	217,662
346410 Miscellaneous	3,302	(1,320)	1,982
Combustion Turbine 2 & 3			
341420 Structures	1,353,022	65,357	1,418,379
342420 Boiler Plant	903,961	(153,259)	750,702
344420 Turbogenerators	12,795,802	163,381	12,959,183
345420 Acces. Electric Equipment	2,093,714	(84,871)	2,008,843
346420 Miscellaneous	17,139	9,392	26,531
TOTAL BIG BEND	18,756,370	0	18,756,370
GANNON STATION			
Combustion Turbine 1			
341510 Structures	68,714	(10,449)	58,265
342510 Boiler Plant	95,937	23,606	119,543
344510 Turbogenerators	1,346,794	(118,843)	1,227,951
345510 Acces. Electric Equipment	189,456	105,686	295,142
TOTAL GANNON	1,700,901	0	1,700,901
PHILLIPS STATION			
341280 Structures	50,502	5,736,155	5,786,657
342280 Boiler Plant	1,214	16,148,337	16,149,551
343280 Turbogenerators	38,415,196	(25,724,181)	12,691,015
345280 Acces. Electric Equipment	7,100	3,497,247	3,504,347
346280 Miscellaneous	4,324	342,442	346,766
TOTAL PHILLIPS	38,478,336	0	38,478,336
POLK POWER STATION			
341810 Structures	4,126,651	2,970,821	7,097,472
342810 Boiler Plant	36,064,474	(10,600,967)	25,463,507
343810 Turbogenerators	4,326,239	3,660,217	7,986,456
345810 Acces. Electric Equipment	2,195,470	2,447,846	4,643,316
346810 Miscellaneous	354,843	208,493	563,336
Amortizable Tools	0	1,313,590	1,313,590
TOTAL POLK	47,067,677	0	47,067,677
TOTAL OTHER PRODUCTION	106,003,284	0	106,003,284
TOTAL PRODUCTION	416,738,105	0	416,738,105

**TAMPA ELECTRIC COMPANY
 1999 DEPRECIATION STUDY
 RESERVE ALLOCATIONS**

ACCOUNT	STAFF RECOMMENDED		
	1/1/199 RESERVE (\$)	RESERVE ALLOCATION (\$)	RESTATED RESERVE (\$)
TRANSMISSION PLANT			
353 Station Equipment	41,374,948	(9,406,303)	31,968,645
355 Poles and Fixtures	20,583,333	5,452,500	26,035,833
356 Overhead Conductors & Devices	22,791,466	3,953,803	26,745,269
TOTAL TRANSMISSION	84,749,747	0	84,749,747
DISTRIBUTION PLANT			
362 Station Equipment	38,138,860	(4,628,554)	33,510,306
364 Poles, Towers, & Fixtures	43,046,450	3,561,891	46,608,341
365 Overhead Conductors & Devices	64,874,069	3,311,515	68,185,584
366 Underground Conduit	17,901,947	(845,990)	17,055,957
368 Line Transformers	91,481,148	(5,643,294)	85,837,854
369 Overhead Services	17,657,121	(1,604,287)	16,052,834
370 Meters	14,129,128	2,433,236	16,562,364
373 Street Lights & Signal Systems	23,659,879	3,415,483	27,075,362
TOTAL DISTRIBUTION	310,888,602	0	310,888,602
GENERAL PLANT			
392 Automobiles	704,287	(220,283)	484,004
392 Heavy Trucks	8,674,343	220,283	8,894,626
TOTAL GENERAL PLANT	9,378,630	0	9,378,630

TAMPA ELECTRIC COMPANY
FOSSIL DISMANTLEMENT

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	PRELIMINARY APPROVED ACCRUAL	COMPANY PROPOSED ACCRUAL	STAFF RECOMMENDED 1999 ACCRUAL	CHANGE IN ACCRUAL	STAFF RECOMMENDED 2000 ACCRUAL	CHANGE IN ACCRUAL
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Big Bend Common	424,063	342,144	404,053	(20,010)	404,053	0
Big Bend Unit 1	762,542	576,922	718,455	(44,087)	718,455	0
Big Bend Unit 2	541,253	416,877	511,891	(29,362)	511,891	0
Big Bend Unit 3	473,753	371,375	450,083	(23,670)	450,083	0
Big Bend Unit 4	858,370	677,126	816,545	(41,825)	816,545	0
Big Bend Unit 4 FGD	327,328	256,558	310,903	(16,425)	310,903	0
Big Bend Unit 1&2 Scrubber					235,177	235,177
Gannon Common	373,465	356,523	360,978	(12,487)	143,974	(217,004)
Gannon Unit 1	461,813	434,170	438,994	(22,819)	78,866	(360,128)
Gannon Unit 2	360,847	338,925	343,618	(17,229)	69,065	(274,553)
Gannon Unit 3	375,162	353,202	358,761	(16,401)	87,701	(271,060)
Gannon Unit 4	335,115	315,989	321,558	(13,557)	99,781	(221,777)
Gannon Unit 5	317,533	299,609	305,098	(12,435)	108,149	(196,949)
Gannon Unit 6	322,652	304,912	310,338	(12,314)	123,761	(186,577)
Hookers Point	5,760	(97,251)	(31,278)	(37,038)	(31,278)	0
Dinner Lake	66,986	62,447	67,442	456	67,442	0
Big Bend CT 1, 2 & 3	133,623	125,646	130,966	(2,657)	130,966	0
Gannon CT 1	24,003	22,549	23,522	(481)	23,522	0
Phillips Station	145,101	138,891	143,385	(1,716)	143,385	0
Polk Unit 1	1,222,134	999,361	1,168,177	(53,957)	1,168,177	0
TOTAL	<u>7,531,503</u>	<u>6,295,975</u>	<u>7,153,489</u>	<u>(378,014)</u>	<u>5,660,618</u>	<u>(1,492,871)</u>
<u>Plant Under Construction</u>						
Polk Unit 2 (2001)	109,196					

**TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF RATES AND COMPONENTS**

ACCOUNT	CURRENT/COMPANY PROPOSAL				STAFF RECOMMENDATION				
	AVERAGE	NET	1/1/99	REMAINING	AVERAGE	NET	1/1/99	REMAINING	
	REMAINING	SALVAGE	RESERVE	LIFE	REMAINING	SALVAGE	RESERVE	LIFE	
LIFE	(%)	(%)	RATE	LIFE	(%)	(%)	RATE		
(YRS.)	(%)	(%)	(%)	(%)	(YRS.)	(%)	(%)	(%)	
STEAM PRODUCTION									
BIG BEND STATION									
- Common -									
311400	Structures	32.0	(5.0)	33.94 *	2.2	32.0	(4.0)	36.40	2.1
312400	Boiler Plant	27.0	(10.0)	35.57 *	2.8	27.0	(14.0)	37.81 *	2.8
314400	Turbogenerators	32.0	(6.0)	43.73 *	1.9	32.0	(3.0)	49.64	1.7
315400	Access. Electric Equipment	16.4	(4.0)	45.73 *	3.6	16.4	(6.0)	49.31	3.5
316400	Miscellaneous	17.2	(9.0)	46.48 *	3.6	17.2	(16.0)	56.54	3.5
- Unit 1 -									
311410	Structures	21.0	(5.0)	54.04 *	2.4	21.0	(1.0)	52.70 *	2.3
312410	Boiler Plant	18.5	(13.0)	44.17 *	3.7	18.5	(8.0)	43.25 *	3.5
314410	Turbogenerators	17.9	(7.0)	51.64 *	3.1	17.9	(4.0)	52.09 *	2.9
315410	Access. Electric Equipment	16.5	(4.0)	52.99 *	3.1	16.5	(3.0)	53.51 *	3.0
316410	Miscellaneous	20.0	(6.0)	59.27 *	2.3	20.0	(3.0)	50.65	2.6
- Unit 2 -									
311420	Structures	24.0	(4.0)	48.90 *	2.3	24.0	(1.0)	42.76	2.4
312420	Boiler Plant	20.0	(13.0)	43.08 *	3.5	20.0	(10.0)	44.00 *	3.3
314420	Turbogenerators	20.0	(7.0)	47.88 *	3.0	20.0	(5.0)	46.45	2.9
315420	Access. Electric Equipment	19.2	(4.0)	45.85 *	3.0	19.2	(3.0)	48.72	2.8
316420	Miscellaneous	23.0	(13.0)	40.45 *	3.2	23.0	(7.0)	41.03	2.9
- Unit 3 -									
311430	Structures	26.0	(5.0)	47.67 *	2.2	26.0	(2.0)	47.91	2.1
312430	Boiler Plant	22.0	(12.0)	49.06 *	2.9	22.0	(12.0)	48.20 *	2.9
314430	Turbogenerators	19.3	(8.0)	58.10 *	2.6	19.3	(8.0)	64.81	2.2
315430	Access. Electric Equipment	18.1	(4.0)	48.72 *	3.1	18.1	(4.0)	50.65	2.9
316430	Miscellaneous	26.0	(10.0)	40.52 *	2.7	26.0	(5.0)	41.91	2.4
- Unit 4 -									
311440	Structures	35.0	(5.0)	29.77 *	2.1	35.0	(2.0)	35.09	1.9
312440	Boiler Plant	27.0	(15.0)	37.62 *	2.9	27.0	(17.0)	38.70 *	2.9
314440	Turbogenerators	29.0	(8.0)	34.39 *	2.5	29.0	(7.0)	38.57	2.4
315440	Access. Electric Equipment	24.0	(4.0)	36.59 *	2.8	24.0	(4.0)	38.51	2.7
316440	Miscellaneous	31.0	(10.0)	31.15 *	2.5	31.0	(7.0)	45.81	2.0
- Unit 4 FGD -									
311450	Structures	33.0	(8.0)	30.73 *	2.3	33.0	(3.0)	31.05 *	2.2
312450	Boiler Plant	29.0	(13.0)	35.90 *	2.7	29.0	(13.0)	31.80 *	2.8
315450	Access. Electric Equipment	25.0	(4.0)	35.29 *	2.7	25.0	(4.0)	36.29	2.7
316450	Miscellaneous	31.0	(9.0)	31.99 *	2.5	31.0	(8.0)	30.50 *	2.5

* Denotes restated reserve after corrective measures.

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ACCOUNT	CURRENT/COMPANY PROPOSAL				STAFF RECOMMENDATION			
	AVERAGE	NET	1/1/99	REMAINING	AVERAGE	NET	1/1/99	REMAINING
	REMAINING	SALVAGE	RESERVE	LIFE	REMAINING	SALVAGE	RESERVE	LIFE
LIFE	(%)	(%)	RATE	LIFE	(%)	(%)	RATE	
(YRS.)	(%)	(%)	(%)	(YRS.)	(%)	(%)	(%)	
GANNON STATION								
- Common -								
311500 Structures	17.4	(5.0)	41.97 *	3.6	17.4	(2.0)	43.13	3.4
312500 Boiler Plant	17.0	(5.0)	34.99 *	4.1	17.0	(5.0)	36.64	4.0
314500 Turbogenerators	18.1	(3.0)	35.55 *	3.7	18.1	(1.0)	31.77	3.8
315500 Access. Electric Equipment	15.1	(2.0)	35.41 *	4.4	15.1	(4.0)	25.03	5.2
316500 Miscellaneous	11.0	(7.0)	57.23 *	4.5	11.0	(11.0)	61.29	4.5
- Unit 1 -								
311510 Structures	8.3	(5.0)	85.83 *	2.3	8.3	(1.0)	81.81	2.3
312510 Boiler Plant	7.0	(5.0)	73.62 *	4.5	7.0	(3.0)	85.53	2.5
314510 Turbogenerators	7.4	(4.0)	71.34 *	4.4	7.4	(1.0)	71.86	3.9
315510 Access. Electric Equipment	6.9	(2.0)	78.29 *	3.4	6.9	(1.0)	80.36	3.0
316510 Miscellaneous	7.8	(4.0)	87.15 *	2.2	7.8	(2.0)	93.68	1.1
- Unit 2 -								
311520 Structures	9.3	(5.0)	73.32 *	3.4	9.3	(1.0)	74.73	2.8
312520 Boiler Plant	7.5	(7.0)	68.19 *	5.2	7.5	(3.0)	79.89	3.1
314520 Turbogenerators	8.4	(4.0)	72.26 *	3.8	8.4	(1.0)	73.36	3.3
315520 Access. Electric Equipment	8.1	(2.0)	72.66 *	3.6	8.1	(1.0)	73.81	3.4
316520 Miscellaneous	7.9	(5.0)	87.54 *	2.2	7.9	(2.0)	73.58	3.6
- Unit 3 -								
311530 Structures	11.1	(5.0)	80.94 *	2.2	11.1	(1.0)	72.89	2.5
312530 Boiler Plant	10.2	(8.0)	58.92 *	4.8	10.2	(3.0)	64.09	3.8
314530 Turbogenerators	9.2	(4.0)	73.89 *	3.3	9.2	(2.0)	76.11	2.8
315530 Access. Electric Equipment	8.8	(2.0)	71.42 *	3.5	8.8	(1.0)	72.41	3.2
316530 Miscellaneous	8.9	(6.0)	84.47 *	2.4	8.9	(4.0)	92.58	1.3
- Unit 4 -								
311540 Structures	14.2	(6.0)	68.83 *	2.6	14.2	(1.0)	62.25	2.7
312540 Boiler Plant	12.6	(10.0)	47.67 *	4.9	12.6	(6.0)	49.82	4.5
314540 Turbogenerators	11.0	(4.0)	73.92 *	2.7	11.0	(3.0)	77.07	2.4
315540 Access. Electric Equipment	11.6	(2.0)	56.35 *	3.9	11.6	(1.0)	61.13	3.4
316540 Miscellaneous	14.1	(6.0)	33.15 *	5.2	14.1	(2.0)	22.91	5.6
- Unit 5 -								
311550 Structures	16.3	(6.0)	43.44 *	3.8	16.3	(1.0)	37.01	3.9
312550 Boiler Plant	14.4	(11.0)	49.61 *	4.3	14.4	(5.0)	43.27	4.3
314550 Turbogenerators	14.3	(5.0)	53.93 *	3.6	14.3	(2.0)	56.13	3.2
315550 Access. Electric Equipment	13.5	(3.0)	48.02 *	4.1	13.5	(3.0)	49.42	4.0
316550 Miscellaneous	15.6	(9.0)	49.45 *	3.8	15.6	(4.0)	43.20	3.9
- Unit 6 -								
311560 Structures	18.1	(6.0)	60.00 *	2.5	18.1	(1.0)	55.20	2.5
312560 Boiler Plant	16.5	(12.0)	47.22 *	3.9	16.5	(6.0)	44.06	3.8
314560 Turbogenerators	17.5	(6.0)	44.27 *	3.5	17.5	(2.0)	43.49	3.3
315560 Access. Electric Equipment	14.6	(3.0)	48.71 *	3.7	14.6	(2.0)	46.50	3.8
316560 Miscellaneous	16.9	(8.0)	60.27 *	2.8	16.9	(5.0)	66.02	2.3

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	AVERAGE	NET	1/1/99	REMAINING	AVERAGE	NET	1/1/99	REMAINING
	REMAINING	SALVAGE	RESERVE	LIFE	REMAINING	SALVAGE	RESERVE	LIFE
	LIFE	(%)	(%)	RATE	LIFE	(%)	(%)	RATE
	(YRS.)	(%)	(%)	(%)	(YRS.)	(%)	(%)	(%)
GANNON OBO								
- Common -								
311700 Structures	16.6	(4.0)	63.74 *	2.4	16.6	(3.0)	75.21	1.7
312700 Boiler Plant	16.8	(5.0)	63.74 *	2.5	16.8	(7.0)	74.42	1.9
314700 Turbogenerators	0.0	0.0	0.00 *	0.0	0.0	0.0	0.00	0.0
315700 Access. Electric Equipment	13.9	(2.0)	68.76 *	2.4	13.9	(3.0)	58.30	3.2
316700 Miscellaneous	17.0	(4.0)	69.23 *	2.0	17.0	(3.0)	29.96	4.3
- Unit 1 -								
311710 Structures	8.2	(5.0)	81.36 *	2.9	8.2	(2.0)	66.05	4.4
312710 Boiler Plant	8.4	(5.0)	80.34 *	2.9	8.4	(1.0)	71.45	3.5
314710 Turbogenerators	8.5	(4.0)	79.92 *	2.8	8.5	0.0	69.79	3.6
315710 Access. Electric Equipment	8.4	(2.0)	78.06 *	2.8	8.4	0.0	69.78	2.8
316710 Miscellaneous	8.3	(4.0)	79.23 *	3.0	8.3	(1.0)	69.78	3.8
- Unit 2 -								
311720 Structures	9.2	(5.0)	77.83 *	3.0	9.2	(2.0)	71.25	3.3
312720 Boiler Plant	9.4	(6.0)	77.57 *	3.0	9.4	(1.0)	72.90	3.0
314720 Turbogenerators	9.5	(5.0)	77.24 *	2.9	9.5	0.0	71.26	3.0
315720 Access. Electric Equipment	9.3	(2.0)	74.66 *	2.9	9.3	0.0	71.25	3.1
316720 Miscellaneous	9.3	(4.0)	75.73 *	3.0	9.3	(1.0)	71.25	3.2
- Unit 3 -								
311730 Structures	10.8	(5.0)	74.50 *	2.8	10.8	(2.0)	70.00	3.0
312730 Boiler Plant	11.3	(6.0)	73.74 *	2.9	11.3	(2.0)	71.27	2.7
314730 Turbogenerators	11.3	(6.0)	74.44 *	2.8	11.3	(1.0)	70.00	2.7
315730 Access. Electric Equipment	11.2	(2.0)	70.93 *	2.8	11.2	0.0	71.17	2.6
316730 Miscellaneous	11.2	(4.0)	71.77 *	2.9	11.2	(1.0)	70.00	2.8
- Unit 4 -								
311740 Structures	12.9	(6.0)	71.33 *	2.7	12.9	(4.0)	70.28	2.6
312740 Boiler Plant	14.0	(7.0)	69.35 *	2.7	14.0	(3.0)	71.35	2.3
314740 Turbogenerators	13.8	(6.0)	70.13 *	2.6	13.8	(3.0)	70.29	2.4
315740 Access. Electric Equipment	13.9	(2.0)	65.76 *	2.6	13.9	(1.0)	70.28	2.2
316740 Miscellaneous	14.0	(4.0)	66.25 *	2.7	14.0	(2.0)	70.28	2.3

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ACCOUNT	CURRENT/COMPANY PROPOSAL				STAFF RECOMMENDATION			
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	1/1/99 RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	1/1/99 RESERVE (%)	REMAINING LIFE RATE (%)
HOOKERS POINT STATION								
- Common -								
311600 Structures	4.3	(1.0)	91.77 *	2.1	4.3	0.0	91.96 *	1.9
312600 Boiler Plant	4.4	(1.0)	91.77 *	2.1	4.4	0.0	91.96 *	1.8
314600 Turbogenerators	4.5	(1.0)	91.77 *	2.1	4.5	0.0	91.96 *	1.8
315600 Access. Electric Equipment	4.4	(1.0)	91.77 *	2.1	4.4	0.0	91.96 *	1.8
316600 Miscellaneous	3.4	(1.0)	91.77 *	2.7	3.4	(4.0)	91.96 *	3.5
- Unit 1 -								
311610 Structures	2.6	(1.0)	91.77 *	3.6	4.5	0.0	91.96 *	1.8
312610 Boiler Plant	3.3	(1.0)	91.77 *	2.8	4.5	0.0	91.96 *	1.8
314610 Turbogenerators	3.6	(1.0)	91.77 *	2.6	4.5	0.0	91.96 *	1.8
315610 Access. Electric Equipment	3.4	(1.0)	91.77 *	2.7	4.5	0.0	91.96 *	1.8
316610 Miscellaneous	2.5	(1.0)	91.77 *	3.7	4.4	0.0	91.96 *	1.8
- Unit 2 & 3 -								
311620 Structures	2.6	(1.0)	91.77 *	3.6	4.5	0.0	91.96 *	1.8
312620 Boiler Plant	4.3	(1.0)	91.77 *	2.1	4.3	(1.0)	91.96 *	2.1
314620 Turbogenerators	3.8	(1.0)	91.77 *	2.4	3.8	0.0	91.96 *	2.1
315620 Access. Electric Equipment	3.4	(1.0)	91.77 *	2.7	4.5	0.0	91.96 *	1.8
316620 Miscellaneous	3.0	(1.0)	91.77 *	3.1	4.4	0.0	91.96 *	1.8
- Unit 4 -								
311640 Structures	2.7	(1.0)	91.77 *	3.4	4.5	(1.0)	91.96 *	2.0
312640 Boiler Plant	3.6	(1.0)	91.77 *	2.6	4.5	(1.0)	91.96 *	2.0
314640 Turbogenerators	3.5	(1.0)	91.77 *	2.6	4.5	(1.0)	91.96 *	2.0
315640 Access. Electric Equipment	3.8	(1.0)	91.77 *	2.4	3.9	0.0	91.96 *	2.1
316640 Miscellaneous	3.4	(1.0)	91.77 *	2.7	3.4	(1.0)	91.96 *	2.7
- Unit 5 -								
311650 Structures	2.9	(1.0)	91.77 *	3.2	4.5	(1.0)	91.96 *	2.0
312650 Boiler Plant	4.2	(1.0)	91.77 *	2.2	4.5	(1.0)	91.96 *	2.0
314650 Turbogenerators	3.7	(1.0)	91.77 *	2.5	3.7	0.0	91.96 *	2.2
315650 Access. Electric Equipment	4.0	(1.0)	91.77 *	2.3	4.0	0.0	91.96 *	2.0
316650 Miscellaneous	4.5	(1.0)	91.77 *	2.1	4.5	(1.0)	91.97 *	2.0
DINNER LAKE STATION								
311110 Structures	6.3	(2.0)	88.15 *	2.2	6.3	(6.0)	88.15 *	2.8
312110 Boiler Plant	6.3	(2.0)	98.34 *	0.6	6.3	(6.0)	98.34 *	1.2
314110 Turbogenerators	6.4	(2.0)	95.39 *	1.0	6.4	(3.0)	95.39 *	1.2
315110 Access. Electric Equipment	6.2	(1.0)	92.43 *	1.4	6.2	(2.0)	92.43 *	1.5
316110 Miscellaneous	6.3	(2.0)	95.13 *	1.1	6.3	(6.0)	95.13 *	1.7
MISC. PRODUCTION								
311010 Structures & Improvements	15.2	(4.0)	48.12 *	3.7	15.2	(5.0)	42.96	4.1

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ACCOUNT	CURRENT/COMPANY PROPOSAL				STAFF RECOMMENDATION				
	AVERAGE	NET	1/1/99	REMAINING	AVERAGE	NET	1/1/99	REMAINING	
	REMAINING	SALVAGE	RESERVE	LIFE	REMAINING	SALVAGE	RESERVE	LIFE	
	LIFE	(%)	(%)	RATE	LIFE	(%)	(%)	RATE	
	(YRS.)	(%)	(%)	(%)	(YRS.)	(%)	(%)	(%)	
OTHER PRODUCTION									
BIG BEND STATION									
- Combustion Turbine 1 -									
341410	Structures	8.9	(4.0)	81.01 *	2.6	10.4	(1.0)	83.16 *	1.7
342410	Boiler Plant	8.4	(7.0)	84.05 *	2.7	10.3	(2.0)	86.28 *	1.5
344410	Turbogenerators	3.8	(6.0)	92.87 *	3.5	10.3	(2.0)	92.10 *	1.0
345410	Access. Electric Equipment	5.4	(2.0)	84.95 *	3.2	10.3	(1.0)	87.21 *	1.3
346410	Miscellaneous	10.2	(4.0)	73.07 *	3.0	10.2	(1.0)	73.07 *	2.7
- Combustion Turbine 2 & 3 -									
341420	Structures	5.3	(4.0)	88.01 *	3.0	5.4	(1.0)	88.01 *	2.4
342420	Boiler Plant	5.1	(6.0)	90.26 *	3.1	5.4	(2.0)	90.26 *	2.2
344420	Turbogenerators	4.9	(6.0)	82.20 *	4.9	4.9	(1.0)	82.20 *	3.8
345420	Access. Electric Equipment	4.8	(2.0)	77.94 *	5.0	4.8	(1.0)	77.94 *	4.8
346420	Miscellaneous	3.8	(8.0)	95.72 *	3.2	5.4	(8.0)	95.72 *	2.3
GANNON STATION									
- Combustion Turbine 1 -									
341510	Structures	9.4	(3.0)	89.35 *	1.5	9.4	(1.0)	77.31 *	2.5
342510	Boiler Plant	6.0	(8.0)	100.93 *	1.2	6.0	(3.0)	90.34 *	2.1
344510	Turbogenerators	6.4	(5.0)	95.92 *	1.4	6.4	(1.0)	92.76 *	1.3
345510	Access. Electric Equipment	6.6	(2.0)	70.10 *	4.8	6.6	(1.0)	89.86 *	1.7
PHILLIPS STATION									
341280	Structures	11.6	(10.0)	66.17 *	3.8	11.6	(13.0)	64.28 *	4.2
342280	Boiler Plant	11.8	(10.0)	66.22 *	3.7	11.8	(13.0)	63.44 *	4.2
343280	Turbogenerators	12.2	(6.0)	61.68 *	3.6	12.2	(5.0)	67.61 *	3.1
345280	Access. Electric Equipment	11.1	(3.0)	63.20 *	3.6	11.1	(4.0)	59.60 *	4.0
346280	Miscellaneous	11.6	(11.0)	65.83 *	3.9	11.6	(12.0)	62.12 *	4.3
POLK POWER STATION									
341810	Structures	32.0	(8.0)	7.98 *	3.1	32.0	(4.0)	6.41 *	3.0
342810	Boiler Plant	19.6	(15.0)	12.51 *	5.2	19.6	(16.0)	12.12 *	5.3
343810	Turbogenerators	22.0	(11.0)	11.51 *	4.5	22.0	(10.0)	6.92 *	4.7
345810	Access. Electric Equipment	24.0	(4.0)	9.69 *	3.9	24.0	(4.0)	7.93 *	4.0
346810	Miscellaneous	22.0	(10.0)	10.94 *	4.5	22.0	(9.0)	10.01 *	4.5

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	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	1/1/96 RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	1/1/99 RESERVE (%)	REMAINING LIFE RATE (%)
TRANSMISSION PLANT								
350.01 Land Rights	36.0	0.0	24.49	2.2	36.0	0.0	24.49	2.1
352.00 Structures & Improvements	40.0	(3.0)	20.04	2.1	40.0	(3.0)	20.04	2.1
353.00 Station Equipment	34.0	(10.0)	34.69	2.2	34.0	(5.0)	26.80 *	2.3
354.00 Towers and Fixtures	20.0	(15.0)	63.06	2.6	20.0	(15.0)	63.06	2.6
355.00 Poles and Fixtures	28.0	(30.0)	30.67	3.5	24.0	(30.0)	38.80 *	3.8
356.00 Overhead Conduct. & Devices	25.0	(20.0)	34.77	3.4	23.0	(20.0)	40.80 *	3.4
356.01 Clearing Rights-of-Way	28.0	0.0	40.82	2.1	28.0	0.0	40.82	2.1
357.00 Underground Conduit	43.0	0.0	17.25	1.9	43.0	0.0	17.25	1.9
358.00 Underground Conductors & Devices	29.0	0.0	21.40	2.7	29.0	0.0	21.40	2.7
359.00 Roads & Trails	36.0	0.0	26.17	2.1	36.0	0.0	26.17	2.1
DISTRIBUTION PLANT								
361.00 Structures & Improvements	30.0	(3.0)	31.92	2.4	30.0	(3.0)	31.92	2.4
362.00 Station Equipment	25.0	(10.0)	36.99	2.9	25.0	(10.0)	32.50 *	3.1
364.00 Poles, Towers & Fixtures	25.0	(35.0)	33.80	4.0	24.0	(35.0)	36.60 *	4.1
365.00 Overhead Conductors & Devices	23.0	(20.0)	44.24 *	3.3	21.0	(20.0)	46.50 *	3.5
366.00 Underground Conduit	39.0	0.0	23.11	2.0	39.0	0.0	22.01 *	2.0
367.00 Underground Conduct. & Devices	24.0	0.0	27.81	3.0	24.0	0.0	27.81	3.0
368.00 Line Transformers	8.3	30.0	38.33	3.8	8.3	30.0	35.97 *	4.1
369.01 Overhead Services	26.0	(50.0)	36.96	4.3	24.0	(20.0)	33.60 *	3.6
369.02 Underground Services	26.0	(15.0)	29.32	3.3	26.0	(15.0)	29.32	3.3
370.00 Meters	16.1	(20.0)	33.78	5.4	15.1	0.0	39.60 *	4.0
373.00 Street Lights & Signal Systems	12.4	0.0	29.96	5.6	12.4	0.0	34.28 *	5.3
GENERAL PLANT								
390.00 Structures & Improvements	28.0	(20.0)	25.02	3.4	28.0	(20.0)	25.02	3.4
392.01 Transportation Equip.-Automobiles	1.1	24.0 *	62.08	12.7	1.6	24.0	69.04 *	4.3
392.02 Transportation Equip.-Light Trucks	6.0	20.0 *	32.00	8.0	6.0	20.0	54.52	4.2
392.03 Transportation Equip.-Heavy Trucks	8.9	20.0 *	43.08	4.1	8.9	20.0	32.83 *	5.3
393.01 Stores Equipment			7 Yr. Amort				7 Yr. Amort	
394.01 Tools, Shop & Garage Equip.			7 Yr. Amort				7 Yr. Amort	
395.01 Laboratory Equipment			7 Yr. Amort				7 Yr. Amort	
396.00 Power Operated Equipment			10 Yr. Amort				7 Yr. Amort	
397.25 Communication Equipment - Fixed	11.5	(10.0)	48.75	5.3	11.5	(10.0)	48.75	5.3
GENERAL PLANT - AMORTIZED								
391.01 Office Furniture & Equipment			7 Yr. Amort				7 Yr. Amort	
391.02 Office Equipment - Workstation			3 Yr. Amort				3 Yr. Amort	
391.04 Computer Equipment - Mainframe			5 Yr. Amort				5 Yr. Amort	
393.00 Stores Equipment - Portable			7 Yr. Amort				7 Yr. Amort	
394.00 Tools, Shop, & Garage Equip.			7 Yr. Amort				7 Yr. Amort	
395.00 Laboratory Equipment			7 Yr. Amort				7 Yr. Amort	
397.00 Communication Equipment			7 Yr. Amort				7 Yr. Amort	
398.00 Miscellaneous Equipment			7 Yr. Amort				7 Yr. Amort	
RECOVERY SCHEDULE								
397.01 Energy Management System			2 Yr. Recovery Period				2 Yr. Recovery Period	
Coal Classifiers				3.7 **			1 Yr. Recovery Period	

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TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT/COMPANY PROPOSAL		STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
STEAM PRODUCTION							
BIG BEND STATION							
- Common -							
311400 Structures	44,074,193	16,041,299	2.2	969,632	2.1	925,558	(44,074)
312400 Boiler Plant	58,186,104	21,999,330 *	2.8	1,629,211	2.8	1,629,211	0
314400 Turbogenerators	3,298,968	1,637,589	1.9	62,680	1.7	56,082	(6,598)
315400 Access. Electric Equipment	13,113,091	6,465,583	3.6	472,071	3.5	458,958	(13,113)
316400 Miscellaneous	3,858,667	2,181,731	3.6	138,912	3.5	135,053	(3,859)
TOTAL	122,531,023	48,325,532		3,272,506		3,204,862	(67,644)
- Unit 1 -							
311410 Structures	7,265,039	3,828,676 *	2.4	174,361	2.3	167,096	(7,265)
312410 Boiler Plant	56,014,566	24,186,820 *	3.7	2,072,539	3.5	1,960,510	(112,029)
314410 Turbogenerators	23,555,741	12,270,186 *	3.1	730,228	2.9	683,116	(47,112)
315410 Access. Electric Equipment	8,262,811	4,421,552 *	3.1	256,147	3.0	247,884	(8,263)
316410 Miscellaneous	645,512	326,956	2.3	14,847	2.6	16,783	1,936
TOTAL	95,743,669	45,034,190		3,248,122		3,075,389	(172,733)
- Unit 2 -							
311420 Structures	6,998,280	2,992,673	2.3	160,960	2.4	167,959	6,999
312420 Boiler Plant	52,213,547	22,946,323 *	3.5	1,827,474	3.3	1,723,047	(104,427)
314420 Turbogenerators	25,199,498	11,703,941	3.0	755,985	2.9	730,785	(25,200)
315420 Access. Electric Equipment	7,529,510	3,668,672	3.0	225,885	2.8	210,826	(15,059)
316420 Miscellaneous	539,942	221,514	3.2	17,278	2.9	15,658	(1,620)
TOTAL	92,480,778	41,533,123		2,987,582		2,848,275	(139,307)
- Unit 3 -							
311430 Structures	15,122,534	7,244,826	2.2	332,696	2.1	317,573	(15,123)
312430 Boiler Plant	86,097,695	41,499,089 *	2.9	2,496,833	2.9	2,496,833	0
314430 Turbogenerators	28,785,848	18,655,188	2.6	748,432	2.2	633,289	(115,143)
315430 Access. Electric Equipment	18,641,408	9,441,189	3.1	577,884	2.9	540,601	(37,283)
316430 Miscellaneous	888,757	372,447	2.7	23,996	2.4	21,330	(2,666)
TOTAL	149,536,242	77,212,739		4,179,841		4,009,626	(170,215)
- Unit 4 -							
311440 Structures	62,215,337	21,829,149	2.1	1,306,522	1.9	1,182,091	(124,431)
312440 Boiler Plant	195,051,513	75,484,936 *	2.9	5,656,494	2.9	5,656,494	0
314440 Turbogenerators	80,700,612	31,127,722	2.5	2,017,515	2.4	1,936,815	(80,700)
315440 Access. Electric Equipment	35,892,678	13,823,788	2.8	1,004,995	2.7	969,102	(35,893)
316440 Miscellaneous	5,377,096	2,463,316	2.5	134,427	2.0	107,542	(26,885)
TOTAL	379,237,236	144,728,911		10,119,953		9,852,044	(267,909)

*Restated reserve after corrective measures.

TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT/COMPANY PROPOSAL		STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
- Unit 4 FGD -							
311450 Structures	21,528,162	6,684,471 *	2.3	495,148	2.2	473,620	(21,528)
312450 Boiler Plant	140,129,441	44,561,162 *	2.7	3,783,495	2.8	3,923,624	140,129
315450 Access. Electric Equipment	18,909,140	6,862,814	2.7	510,547	2.7	510,547	0
316450 Miscellaneous	742,530	226,471 *	2.5	18,563	2.5	18,563	0
TOTAL	181,309,274	58,334,918		4,807,753		4,926,354	118,601
TOTAL BIG BEND STATION	1,020,838,221	415,169,413		28,615,757		27,916,550	(699,207)
GANNON STATION							
- Common -							
311500 Structures	29,704,854	12,812,218	3.6	1,069,375	3.4	1,009,965	(59,410)
312500 Boiler Plant	17,755,604	6,504,911	4.1	727,980	4.0	710,224	(17,756)
314500 Turbogenerators	1,844,182	585,834	3.7	68,235	3.8	70,079	1,844
315500 Access. Electric Equipment	7,000,411	1,752,142	4.4	308,018	5.2	364,021	56,003
316500 Miscellaneous	3,228,359	1,978,688	4.5	145,276	4.5	145,276	0
TOTAL	59,533,409	23,633,793		2,318,884		2,299,565	(19,319)
- Unit 1 -							
311510 Structures	2,589,783	2,118,781	2.3	59,565	2.3	59,565	0
312510 Boiler Plant	9,056,559	7,746,209	4.5	407,545	2.5	226,414	(181,131)
314510 Turbogenerators	8,858,437	6,365,427	4.4	389,771	3.9	345,479	(44,292)
315510 Access. Electric Equipment	2,093,332	1,682,182	3.4	71,173	3.0	62,800	(8,373)
316510 Miscellaneous	253,316	237,302	2.2	5,573	1.1	2,786	(2,787)
TOTAL	22,851,427	18,149,901		933,627		697,044	(236,583)
- Unit 2 -							
311520 Structures	2,775,428	2,074,091	3.4	94,365	2.8	77,712	(16,653)
312520 Boiler Plant	8,316,155	6,643,676	5.2	432,440	3.1	257,801	(174,639)
314520 Turbogenerators	10,984,310	8,058,477	3.8	417,404	3.3	362,482	(54,922)
315520 Access. Electric Equipment	1,636,945	1,208,197	3.6	58,930	3.4	55,656	(3,274)
316520 Miscellaneous	90,997	66,952	2.2	2,002	3.6	3,276	1,274
TOTAL	23,803,836	18,051,393		1,005,141		756,927	(248,214)
- Unit 3 -							
311530 Structures	2,135,432	1,556,496	2.2	46,979	2.5	53,386	6,407
312530 Boiler Plant	19,140,471	12,266,892	4.8	918,743	3.8	727,338	(191,405)
314530 Turbogenerators	11,853,410	9,021,824	3.3	391,163	2.8	331,895	(59,268)
315530 Access. Electric Equipment	2,382,584	1,725,323	3.5	83,390	3.2	76,243	(7,147)
316530 Miscellaneous	88,145	81,606	2.4	2,115	1.3	1,146	(969)
TOTAL	35,600,042	24,652,141		1,442,390		1,190,008	(252,382)

*Restated reserve after corrective measures.

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TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)
- Unit 4 -		
311540 Structures	1,758,651	1,094,810
312540 Boiler Plant	19,587,609	9,758,950
314540 Turbogenerators	8,670,211	6,682,088
315540 Access. Electric Equipment	2,477,506	1,514,534
316540 Miscellaneous	170,625	39,087
TOTAL	32,664,602	19,089,469
- Unit 5 -		
311550 Structures	5,588,231	2,068,433
312550 Boiler Plant	30,269,066	13,087,753
314550 Turbogenerators	12,582,138	7,062,274
315550 Access. Electric Equipment	5,857,952	2,894,854
316550 Miscellaneous	355,544	153,608
TOTAL	54,652,931	25,266,922
- Unit 6 -		
311560 Structures	4,589,435	2,533,464
312560 Boiler Plant	47,052,614	20,711,554
314560 Turbogenerators	22,966,006	9,988,875
315560 Access. Electric Equipment	7,821,431	3,637,021
316560 Miscellaneous	292,887	193,372
TOTAL	82,722,374	37,064,286
TOTAL GANNON STATION	311,828,620	165,907,905
GANNON OBO		
- Common -		
311700 Structures	7,136,889	5,367,984
312700 Boiler Plant	28,087,482	20,901,928
314700 Turbogenerators	0	0
315700 Access. Electric Equipment	6,036,354	3,519,297
316700 Miscellaneous	1,575,973	472,233
TOTAL	42,836,698	30,261,442
- Unit 1 -		
311710 Structures	638,298	421,599
312710 Boiler Plant	15,301,799	10,932,883
314710 Turbogenerators	4,087	2,852
315710 Access. Electric Equipment	2,979,327	2,079,107
316710 Miscellaneous	101,265	70,667
TOTAL	19,024,776	13,507,108

CURRENT/COMPANY PROPOSAL	
RATE (%)	EXPENSES (\$)
2.6	45,725
4.9	959,793
2.7	234,096
3.9	96,623
5.2	8,872
	1,345,109
3.8	212,353
4.3	1,301,570
3.6	452,957
4.1	240,176
3.8	13,511
	2,220,567
2.5	114,736
3.9	1,835,052
3.5	803,810
3.7	289,393
2.8	8,201
	3,051,192
	12,316,910

STAFF RECOMMENDATION		
RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
2.7	47,484	1,759
4.5	881,442	(78,351)
2.4	208,085	(26,011)
3.4	84,235	(12,388)
5.6	9,555	683
	1,230,801	(114,308)
3.9	217,941	5,588
4.3	1,301,570	0
3.2	402,628	(50,329)
4.0	234,318	(5,858)
3.9	13,866	355
	2,170,323	(50,244)
2.5	114,736	0
3.8	1,787,999	(47,053)
3.3	757,878	(45,932)
3.8	297,214	7,821
2.3	6,736	(1,465)
	2,964,563	(86,629)
	11,309,231	(1,007,679)
1.7	121,327	(49,958)
1.9	533,662	(168,525)
0.0	0	0
3.2	193,163	48,290
4.3	67,767	36,248
	915,919	(133,945)
4.4	28,085	9,574
3.5	535,563	91,811
3.6	147	33
2.8	83,421	0
3.8	3,848	810
	651,064	102,228

*Restated reserve after corrective measures.

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TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)
- Unit 2 -		
311720 Structures	2,075,349	1,478,612
312720 Boiler Plant	15,849,207	11,554,785
314720 Turbogenerators	3,657	2,606
315720 Access. Electric Equipment	3,234,810	2,304,691
316720 Miscellaneous	82,559	58,821
TOTAL	21,245,582	15,399,515
- Unit 3 -		
311730 Structures	948,026	663,616
312730 Boiler Plant	21,066,752	15,014,676
314730 Turbogenerators	18,047	12,633
315730 Access. Electric Equipment	2,993,209	2,130,178
316730 Miscellaneous	175,333	122,732
TOTAL	25,201,367	17,943,835
- Unit 4 -		
311740 Structures	1,694,473	1,190,913
312740 Boiler Plant	25,413,058	18,132,836
314740 Turbogenerators	3,672	2,581
315740 Access. Electric Equipment	4,380,914	3,078,999
316740 Miscellaneous	228,779	160,790
TOTAL	31,720,894	22,566,119
TOTAL GANNON OBO STATION	140,029,318	99,678,019
HOOKERS POINT STATION		
- Common -		
311600 Structures	3,936,210	3,619,903 *
312600 Boiler Plant	4,476,615	4,116,882 *
314600 Turbogenerators	840,321	772,795 *
315600 Access. Electric Equipment	2,368,512	2,178,183 *
316600 Miscellaneous	1,528,134	1,405,336 *
TOTAL	13,149,792	12,093,099
- Unit 1 -		
311610 Structures	1,120,753	1,030,691 *
312610 Boiler Plant	3,270,355	3,007,555 *
314610 Turbogenerators	2,343,386	2,155,075 *
315610 Access. Electric Equipment	728,752	670,190 *
316610 Miscellaneous	81,996	75,407 *
TOTAL	7,545,241	6,938,918

CURRENT/COMPANY PROPOSAL	
RATE (%)	EXPENSES (\$)
3.0	62,260
3.0	475,476
2.9	106
2.9	93,809
3.0	2,477
	634,128
2.8	26,545
2.9	610,936
2.8	505
2.8	83,810
2.9	5,085
	726,881
2.7	45,751
2.7	686,153
2.6	95
2.6	113,904
2.7	6,177
	852,080
	3,811,789

STAFF RECOMMENDATION		
RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
3.3	68,487	6,227
3.0	475,476	0
3.0	110	4
3.1	100,279	6,470
3.2	2,642	165
	646,994	12,866
3.0	28,441	1,896
2.7	568,802	(42,134)
2.7	487	(18)
2.6	77,223	(5,987)
2.8	4,909	(176)
	680,462	(46,419)
2.6	44,056	(1,695)
2.3	584,500	(101,653)
2.4	88	(7)
2.2	96,380	(17,524)
2.3	5,262	(915)
	730,286	(121,794)
	3,624,725	(187,064)
1.9	74,788	(7,872)
1.8	80,579	(13,430)
1.8	15,126	(2,521)
1.8	42,633	(7,106)
3.5	53,485	12,225
	266,611	(18,704)
1.8	20,174	(20,173)
1.8	58,866	(32,704)
1.8	42,181	(18,747)
1.8	13,118	(6,558)
1.8	1,476	(1,558)
	135,815	(79,740)

*Restated reserve after corrective measures.

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TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT/COMPANY PROPOSAL		STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
- Unit 2 & 3 -							
311620 Structures	817,057	751,400 *	3.6	29,414	1.8	14,707	(14,707)
312620 Boiler Plant	5,997,566	5,515,613 *	2.1	125,949	2.1	125,949	0
314620 Turbogenerators	4,287,872	3,943,307 *	2.4	102,909	2.1	90,045	(12,864)
315620 Access. Electric Equipment	1,063,690	978,214 *	2.7	28,720	1.8	19,146	(9,574)
316620 Miscellaneous	48,673	44,761 *	3.1	1,509	1.8	876	(633)
TOTAL	12,214,858	11,233,295		288,501		250,723	(37,778)
- Unit 4 -							
311640 Structures	852,843	784,310 *	3.4	28,997	2.0	17,057	(11,940)
312640 Boiler Plant	2,461,918	2,264,083 *	2.6	64,010	2.0	49,238	(14,772)
314640 Turbogenerators	3,359,755	3,089,772 *	2.6	87,354	2.0	67,195	(20,159)
315640 Access. Electric Equipment	738,349	679,017 *	2.4	17,720	2.1	15,505	(2,215)
316640 Miscellaneous	43,354	39,870 *	2.7	1,171	2.7	1,171	0
TOTAL	7,456,219	6,857,052		199,252		150,166	(49,086)
- Unit 5 -							
311650 Structures	1,236,220	1,136,879 *	3.2	39,559	2.0	24,724	(14,835)
312650 Boiler Plant	5,620,601	5,168,940 *	2.2	123,653	2.0	112,412	(11,241)
314650 Turbogenerators	4,648,307	4,274,777 *	2.5	116,208	2.2	102,263	(13,945)
315650 Access. Electric Equipment	1,138,016	1,046,567 *	2.3	26,174	2.0	22,760	(3,414)
316650 Miscellaneous	48,228	44,353 *	2.1	1,013	2.0	965	(48)
TOTAL	12,691,372	11,671,516		306,607		263,124	(43,483)
TOTAL HOOKERS POINT STATION	53,057,481	48,793,880		1,295,230		1,066,439	(228,791)
DINNER LAKE STATION							
311110 Structures	631,359	556,549 *	2.2	13,890	2.8	17,678	3,788
312110 Boiler Plant	1,465,724	1,441,439 *	0.6	8,794	1.2	17,589	8,795
314110 Turbogenerators	1,111,909	1,060,704 *	1.0	11,119	1.2	13,343	2,224
315110 Access. Electric Equipment	378,863	350,202 *	1.4	5,304	1.5	5,683	379
316110 Miscellaneous	33,396	31,771 *	1.1	367	1.7	568	201
TOTAL DINNER LAKE STATION	3,621,251	3,440,665		39,474		54,861	15,387
TOTAL STEAM PRODUCTION	1,529,374,891	732,989,882		46,079,160		43,971,806	(2,107,354)
MISC. PRODUCTION							
311010 Structures & Improvements	6,938,922	2,980,628	3.7	256,740	4.1	284,496	27,756
TOTAL MISC. PRODUCTION	6,938,922	2,980,628		256,740		284,496	27,756

*Restated reserve after corrective measures.

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1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT/COMPANY PROPOSAL		STAFF RECOMMENDATION			
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)	
OTHER PRODUCTION								
BIG BEND STATION								
- Combustion Turbine 1 -								
341410 Structures	82,829	68,879	•	2.6	2,154	1.7	1,408	(746)
342410 Boiler Plant	113,663	98,068	*	2.7	3,069	1.5	1,705	(1,364)
344410 Turbogenerators	1,309,543	1,206,141	•	3.5	45,834	1.0	13,095	(32,739)
345410 Access. Electric Equipment	249,583	217,662	*	3.2	7,987	1.3	3,245	(4,742)
346410 Miscellaneous	2,642	1,982	*	3.0	79	2.7	71	(8)
TOTAL	1,758,260	1,592,732			59,123		19,524	(39,599)
- Combustion Turbine 2 & 3 -								
341420 Structures	1,611,601	1,418,379	*	3.0	48,348	2.4	38,678	(9,670)
342420 Boiler Plant	831,746	750,702	*	3.1	25,784	2.2	18,298	(7,486)
344420 Turbogenerators	15,765,826	12,959,183	*	4.9	772,525	3.8	599,101	(173,424)
345420 Access. Electric Equipment	2,577,578	2,008,843	*	5.0	128,879	4.8	123,724	(5,155)
346420 Miscellaneous	27,718	26,531	*	3.2	887	2.3	638	(249)
TOTAL	20,814,469	17,163,638			976,423		780,439	(195,984)
TOTAL BIG BEND STATION	22,572,729	19,756,370			1,035,546		799,963	(235,583)
GANNON STATION								
- Combustion Turbine 1 -								
341510 Structures	75,362	58,265	*	1.5	1,130	2.5	1,884	754
342510 Boiler Plant	132,325	119,543	*	1.2	1,588	2.1	2,779	1,191
344510 Turbogenerators	1,323,726	1,227,951	•	1.4	18,532	1.3	17,208	(1,324)
345510 Access. Electric Equipment	328,443	295,142	*	4.8	15,765	1.7	5,584	(10,181)
TOTAL GANNON STATION	1,859,856	1,700,901			37,015		27,455	(9,560)
PHILLIPS STATION								
341280 Structures	9,002,268	5,786,657	*	3.8	342,086	4.2	378,095	36,009
342280 Boiler Plant	25,456,417	16,149,551	*	3.7	941,887	4.2	1,069,170	127,283
343280 Turbogenerators	18,771,597	12,691,015	•	3.6	675,777	3.1	581,919	(93,858)
345280 Access. Electric Equipment	5,879,777	3,504,347	*	3.6	211,672	4.0	235,191	23,519
346280 Miscellaneous	558,220	346,766	*	3.9	21,771	4.3	24,003	2,232
TOTAL PHILLIPS STATION	59,668,278	38,478,336			2,193,193		2,288,378	95,185
POLK POWER STATION								
341810 Structures	110,711,181	7,097,472	*	3.1	3,432,047	3.0	3,321,335	(110,712)
342810 Boiler Plant	210,094,937	25,463,507	*	5.2	10,924,937	5.3	11,135,032	210,095
343810 Turbogenerators	115,388,211	7,986,456	*	4.5	5,192,470	4.7	5,423,246	230,776
345810 Access. Electric Equipment	58,586,675	4,643,316	*	3.9	2,284,880	4.0	2,343,467	58,587
346810 Miscellaneous	5,629,622	563,336	*	4.5	253,333	4.5	253,333	0
TOTAL POLK POWER STATION	500,410,627	45,754,087			22,087,667		22,476,413	388,746
TOTAL OTHER PRODUCTION	584,511,490	104,689,694			25,353,421		25,592,209	238,788
TOTAL PRODUCTION	2,120,825,303	840,660,204			71,689,321		69,848,511	(1,840,810)

*Restated reserve after corrective measures.

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DATE: February 17, 2000

ATTACHMENT D
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TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT/COMPANY PROPOSAL		STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
TRANSMISSION PLANT							
350.01 Land Rights	6,480,434	1,587,210	2.2	142,570	2.1	136,089	(6,481)
352.00 Structures & Improvements	2,027,738	406,442	2.1	42,582	2.1	42,582	0
353.00 Station Equipment	119,285,989	31,968,645 *	2.2	2,624,292	2.3	2,743,578	119,286
354.00 Towers and Fixtures	4,342,275	2,738,144	2.6	112,899	2.6	112,899	0
355.00 Poles and Fixtures	67,102,662	26,035,833 *	3.5	2,348,593	3.8	2,549,901	201,308
356.00 Overhead Conduct. & Devices	65,545,021	26,745,269 *	3.4	2,228,531	3.4	2,228,531	0
356.01 Clearing Rights-of-Way	2,133,240	870,821	2.1	44,798	2.1	44,798	0
357.00 Underground Conduit	6,409,807	1,105,875	1.9	121,786	1.9	121,786	0
358.00 Underground Conductors & Devices	4,174,657	893,263	2.7	112,716	2.7	112,716	0
359.00 Roads & Trails	2,843,988	744,362	2.1	59,724	2.1	59,724	0
TOTAL TRANSMISSION PLANT	280,345,811	93,095,864		7,838,491		8,152,604	314,113
DISTRIBUTION PLANT							
361.00 Structures & Improvements	841,734	268,687	2.4	20,202	2.4	20,202	0
362.00 Station Equipment	103,108,633	33,510,306 *	2.9	2,990,150	3.1	3,196,368	206,218
364.00 Poles, Towers & Fixtures	127,345,194	46,608,341 *	4.0	5,093,808	4.1	5,221,153	127,345
365.00 Overhead Conductors & Devices	146,635,665	68,185,584 *	3.3	4,838,977	3.5	5,132,248	293,271
366.00 Underground Conduit	77,475,611	17,055,957 *	2.0	1,549,512	2.0	1,549,512	0
367.00 Underground Conduct. & Devices	96,933,319	26,955,152	3.0	2,908,000	3.0	2,908,000	0
368.00 Line Transformers	238,637,347	85,837,854 *	3.8	9,068,219	4.1	9,784,131	715,912
369.01 Overhead Services	47,776,292	16,052,834 *	4.3	2,054,381	3.6	1,719,947	(334,434)
369.02 Underground Services	51,653,502	15,145,038	3.3	1,704,566	3.3	1,704,566	0
370.00 Meters	41,824,152	16,562,364 *	5.4	2,258,504	4.0	1,672,966	(585,538)
373.00 Street Lights & Signal Systems	78,982,969	27,075,362 *	5.6	4,423,046	5.3	4,186,097	(236,949)
TOTAL DISTRIBUTION PLANT	1,011,214,418	353,257,479		36,909,365		37,095,190	185,825
GENERAL PLANT							
390.00 Structures & Improvements	68,595,561	17,163,608	3.4	2,332,249	3.4	2,332,249	0
392.01 Transportation Equip.-Automobiles	701,072	484,004 *	12.7	89,036	4.3	30,146	(58,890)
392.02 Transportation Equip.-Light Trucks	6,342,191	3,457,874	8.0	507,375	4.2	266,372	(241,003)
392.03 Transportation Equip.-Heavy Trucks	27,092,981	8,894,626 *	4.1	1,110,812	5.3	1,435,928	325,116
393.01 Stores Equipment	566,333	344,051	7 Yr. Amort	31,755	7 Yr. Amort	31,755	0
394.01 Tools, Shop & Garage Equip.	728,812	495,072	7 Yr. Amort	33,391	7 Yr. Amort	33,391	0
395.01 Laboratory Equipment	1,198,928	675,962	7 Yr. Amort	74,709	7 Yr. Amort	74,709	0
396.00 Power Operated Equipment	1,066,313	600,590	10 Yr. Amort	46,572	7 Yr. Amort	66,532	19,960
397.25 Communication Equipment - Fixed	8,607,246	4,196,041	5.3	456,184	5.3	456,184	0
SUBTOTAL	114,899,437	36,311,828		4,682,083		4,727,266	45,183

*Restated reserve after corrective measures.

TAMPA ELECTRIC COMPANY
1999 STUDY
COMPARISON OF EXPENSES

ACCOUNT	1/1/99 INVESTMENT (\$)	1/1/99 RESERVE (\$)	CURRENT / COMPANY PROPOSAL		STAFF RECOMMENDATION		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
GENERAL PLANT - AMORTIZED							
391.01 Office Furniture & Equipment	6,747,115	2,756,002	7 Yr. Amort	963,874	7 Yr. Amort	963,874	0
391.02 Office Equipment - Workstation	32,753,163	12,904,409	3 Yr. Amort	6,550,633	3 Yr. Amort	6,616,252	65,619
391.04 Computer Equipment - Mainframe	1,069,698	51,367	5 Yr. Amort	213,940	5 Yr. Amort	213,940	0
393.00 Stores Equipment - Portable	6,310	(8,306)	7 Yr. Amort	901	7 Yr. Amort	901	0
394.00 Tools, Shop, & Garage Equip.	3,806,209	1,572,888	7 Yr. Amort	543,744	7 Yr. Amort	543,744	0
395.00 Laboratory Equipment	855,261	373,090	7 Yr. Amort	122,180	7 Yr. Amort	122,180	0
397.00 Communication Equipment	58,907,987	27,297,961	7 Yr. Amort	4,125,802	7 Yr. Amort	4,515,718	389,916
398.00 Miscellaneous Equipment	246,466	116,038	7 Yr. Amort	35,209	7 Yr. Amort	35,209	0
SUBTOTAL	104,392,209	45,063,449		12,556,283		13,011,818	455,535
Total General Property	219,291,646	81,375,277		17,238,366		17,739,084	500,718
T.D. & G. TOTAL	1,510,851,875	527,728,620		61,986,222		62,986,878	1,000,656
RECOVERY SCHEDULE							
397.01 Energy Management System	33,144,637	26,703,342	2 Yr. Amort	3,220,648	2 Yr. Recov.	3,220,648	0
Coal Classifiers	414,272	279,158	3.7 **	15,277	1 Yr. Recov.	135,114	119,837
GRAND TOTAL	3,664,821,815	1,395,092,166		136,896,191		136,056,037	(720,317)

* Restated reserve after corrective measures.

** Denotes composite rate.

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TAMPA ELECTRIC COMPANY
GANNON REPOWERING/BIG BEND UNIT 1 & 2 SCRUBBER
COMPARISON OF RATES AND COMPONENTS

ACCOUNT	CURRENT/1999 PRELIMINARY IMPLEMENTATION				COMPANY REVISED PROPOSAL				STAFF RECOMMENDED			
	AVERAGE REMAINING LIFE	NET SALVAGE	01/01/2000 RESERVE	REMAINING LIFE RATE	AVERAGE REMAINING LIFE	NET SALVAGE	01/01/2000 RESERVE	REMAINING LIFE RATE	AVERAGE REMAINING LIFE	NET SALVAGE	01/01/2000 RESERVE	REMAINING LIFE RATE
GANNON STATION												
- Common -												
311500 Structures	17.4	(5.0)	41.97 *	3.6	39.0	(5.0)	26.63	2.0	39.0	(5.0)	26.63	2.0
312500 Boiler Plant	17.0	(5.0)	34.99 *	4.1	42.0	(5.0)	30.02	1.8	42.0	(5.0)	30.02	1.8
314500 Turbogenerators	18.1	(3.0)	35.55 *	3.7	41.0	(3.0)	16.15	2.1	41.0	(3.0)	16.15	2.1
315500 Acces. Electric Equipment	15.1	(2.0)	35.41 *	4.4	26.0	(5.0)	33.30	2.8	26.0	(5.0)	33.30	2.8
316500 Miscellaneous	11.0	(7.0)	57.23 *	4.5	13.0	(19.0)	59.51	4.6	13.0	(19.0)	59.51	4.6
- Unit 1 -												
311510 Structures	8.3	(5.0)	85.83 *	2.3	7.2	(1.0)	84.75	2.3	7.2	(1.0)	84.75	2.3
312510 Boiler Plant	7.0	(5.0)	73.62 *	4.5								
314510 Turbogenerators	7.4	(4.0)	71.34 *	4.4	6.5	(1.0)	71.21	4.6	6.5	(1.0)	71.21	4.6
315510 Acces. Electric Equipment	6.9	(2.0)	78.29 *	3.4	5.8	(1.0)	77.65	4.0	5.8	(1.0)	77.65	4.0
316510 Miscellaneous	7.8	(4.0)	87.15 *	2.2	7.3	(1.0)	82.41	2.5	7.3	(1.0)	82.41	2.5
- Unit 2 -												
311520 Structures	9.3	(5.0)	73.32 *	3.4	8.4	(1.0)	63.94	4.4	8.4	(1.0)	63.94	4.4
312520 Boiler Plant	7.5	(7.0)	68.19 *	5.2								
314520 Turbogenerators	8.4	(4.0)	72.26 *	3.8	7.6	(1.0)	71.05	3.9	7.6	(1.0)	71.05	3.9
315520 Acces. Electric Equipment	8.1	(2.0)	72.66 *	3.6	7.3	(1.0)	72.78	3.9	7.3	(1.0)	72.78	3.9
316520 Miscellaneous	7.9	(5.0)	87.54 *	2.2	6.6	(2.0)	85.07	2.6	6.6	(2.0)	85.07	2.6
- Unit 3 -												
311530 Structures	11.1	(5.0)	80.94 *	2.2	37.0	(4.0)	48.57	1.5	37.0	(4.0)	48.57	1.5
312530 Boiler Plant	10.2	(8.0)	58.92 *	4.8								
314530 Turbogenerators	9.2	(4.0)	73.89 *	3.3	24.0	(6.0)	52.65	2.2	24.0	(6.0)	52.65	2.2
315530 Acces. Electric Equipment	8.8	(2.0)	71.42 *	3.5	16.6	(5.0)	60.97	2.7	16.6	(5.0)	60.97	2.7
316530 Miscellaneous	8.9	(6.0)	84.47 *	2.4	22.0	(8.0)	62.00	2.1	22.0	(8.0)	62.00	2.1
- Unit 4 -												
311540 Structures	14.2	(6.0)	68.83 *	2.6	33.0	(8.0)	47.81	1.8	33.0	(8.0)	47.81	1.8
312540 Boiler Plant	12.6	(10.0)	47.67 *	4.9								
314540 Turbogenerators	11.0	(4.0)	73.92 *	2.7	22.0	(6.0)	56.57	2.2	22.0	(6.0)	56.57	2.2
315540 Acces. Electric Equipment	11.6	(2.0)	56.35 *	3.9	15.1	(3.0)	56.52	3.1	15.1	(3.0)	56.52	3.1
316540 Miscellaneous	14.1	(6.0)	33.15 *	5.2	41.0	(6.0)	23.31	2.0	41.0	(6.0)	23.31	2.0
- Unit 5 -												
311550 Structures	16.3	(6.0)	43.44 *	3.8	40.0	(5.0)	22.42	2.1	40.0	(5.0)	22.42	2.1
312550 Boiler Plant	14.4	(11.0)	49.61 *	4.3	11.1	(32.0)	90.30	3.8	11.1	(32.0)	90.30	3.8
314550 Turbogenerators	14.3	(5.0)	43.93 *	4.3	28.0	(8.0)	40.38	2.4	28.0	(8.0)	40.38	2.4
315550 Acces. Electric Equipment	13.5	(3.0)	48.02 *	4.1	21.0	(5.0)	40.68	3.1	21.0	(5.0)	40.68	3.1
316550 Miscellaneous	15.6	(9.0)	49.45 *	3.8	30.0	(15.0)	36.72	2.6	30.0	(15.0)	36.72	2.6
- Unit 6 -												
311560 Structures	18.1	(6.0)	60.00 *	2.5	17.1	(1.0)	58.21	2.5	17.1	(1.0)	58.21	2.5
312560 Boiler Plant	16.5	(12.0)	47.22 *	3.9	15.8	(5.0)	42.47	4.0	15.8	(5.0)	42.47	4.0
314560 Turbogenerators	17.5	(6.0)	44.27 *	3.5	16.6	(2.0)	44.14	3.5	16.6	(2.0)	44.14	3.5
315560 Acces. Electric Equipment	14.6	(3.0)	48.71 *	3.7	13.3	(3.0)	51.85	3.8	13.3	(3.0)	51.85	3.8
316560 Miscellaneous	16.9	(8.0)	60.27 *	2.8	16.9	(2.0)	28.82	4.3	16.9	(2.0)	28.82	4.3

* Denotes restated reserve after allocations preliminarily approved.

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ATTACHMENT E
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TAMPA ELECTRIC COMPANY
 GANNON REPOWERING/BIG BEND UNIT 1 & 2 SCRUBBER
 COMPARISON OF RATES AND COMPONENTS

ACCOUNT	CURRENT/1999 PRELIMINARY IMPLEMENTATION				COMPANY REVISED PROPOSAL				STAFF RECOMMENDATION			
	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	01/01/2000 RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	01/01/2000 RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	01/01/2000 RESERVE (%)	REMAINING LIFE RATE (%)
GANNON OBO												
- Common -												
311700 Structures	16.6	(4.0)	63.74 *	2.4	45.0	(2.0)	29.21	1.6	45.0	(2.0)	29.21	1.6
312700 Boiler Plant	16.8	(5.0)	63.74 *	2.5	42.0	(5.0)	25.96	1.9	42.0	(5.0)	25.96	1.9
- Unit 1 -												
311710 Structures	8.2	(5.0)	81.36 *	2.9	7.5	0.0	65.80	4.6	7.5	0.0	65.80	4.6
- Unit 2 -												
311720 Structures	9.2	(5.0)	77.83 *	3.0	8.5	0.0	62.94	4.4	8.5	0.0	62.94	4.4
- Unit 3 -												
311730 Structures	10.8	(5.0)	74.50 *	2.8	45.0	(2.0)	25.67	1.7	45.0	(2.0)	25.67	1.7
- Unit 4 -												
311740 Structures	12.9	(6.0)	71.33 *	2.7	44.0	(2.0)	27.19	1.7	44.0	(2.0)	27.19	1.7
BIG BEND UNIT 1 & 2 SCRUBBER					23.0	(13.0)	0.00	4.9	24.0	(11.0)	0.00	4.6

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ATTACHMENT E
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TAMPA ELECTRIC COMPANY
GANNON REPOWERING/BIG BEND UNIT 1 & 2 SCRUBBER
COMPARISON OF EXPENSES

ACCOUNT	1/1/2000 INVESTMENT	1/1/2000 RESERVE	CURRENT		COMPANY REVISED PROPOSAL			STAFF RECOMMENDED		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
GANNON STATION										
Common										
311500 Structures	24,369,938	6,489,187	3.6 *	877,318	2.0	487,399	(389,919)	2.0	487,399	(389,919)
312500 Boiler Plant	1,296,355	389,117	4.1 *	53,151	1.8	23,334	(29,817)	1.8	23,334	(29,817)
314500 Turbogenerators	1,978,662	319,482	3.7 *	73,210	2.1	41,552	(31,658)	2.1	41,552	(31,658)
315500 Acces. Electric Equipment	2,491,525	829,669	4.4 *	109,627	2.8	69,763	(39,864)	2.8	69,763	(39,864)
316500 Miscellaneous	2,955,345	1,758,606	4.5 *	132,991	4.6	135,946	2,955	4.6	135,946	2,955
	33,091,825	9,786,061		1,246,297		757,994	(488,303)		757,994	(488,303)
Unit 1										
311510 Structures	715,569	606,466	2.3 *	16,458	2.3	16,458	0	2.3	16,458	0
312510 Boiler Plant			4.5 *	0		0	0		0	0
314510 Turbogenerators	8,831,396	6,288,908	4.4 *	388,581	4.6	406,244	17,663	4.6	406,244	17,663
315510 Acces. Electric Equipment	1,111,090	862,770	3.4 *	37,777	4.0	44,444	6,667	4.0	44,444	6,667
316510 Miscellaneous	91,180	75,141	2.2 *	2,006	2.5	2,280	274	2.5	2,280	274
	10,749,235	7,833,285		444,822		469,426	24,604		469,426	24,604
Unit 2										
311520 Structures	1,355,647	866,781	3.4 *	46,092	4.4	59,648	13,556	4.4	59,648	13,556
312520 Boiler Plant			5.2 *	0		0	0		0	0
314520 Turbogenerators	11,070,387	7,865,437	3.8 *	420,675	3.9	431,745	11,070	3.9	431,745	11,070
315520 Acces. Electric Equipment	828,669	603,089	3.6 *	29,832	3.9	32,318	2,486	3.9	32,318	2,486
316520 Miscellaneous	37,578	31,969	2.2 *	827	2.6	977	150	2.6	977	150
	13,292,281	9,367,276		497,426		524,688	27,262		524,688	27,262
Unit 3										
311530 Structures	777,295	377,510	2.2 *	17,100	1.5	11,659	(5,441)	1.5	11,659	(5,441)
312530 Boiler Plant			4.8 *	0		0	0		0	0
314530 Turbogenerators	11,851,627	6,240,385	3.3 *	391,104	2.2	260,736	(130,368)	2.2	260,736	(130,368)
315530 Acces. Electric Equipment	1,123,838	685,183	3.5 *	39,334	2.7	30,344	(8,990)	2.7	30,344	(8,990)
316530 Miscellaneous	40,883	25,349	2.4 *	981	2.1	859	(122)	2.1	859	(122)
	13,793,643	7,328,427		448,519		303,598	(144,921)		303,598	(144,921)
Unit 4										
311540 Structures	495,430	236,870	2.6 *	12,881	1.8	8,918	(3,963)	1.8	8,918	(3,963)
312540 Boiler Plant			4.9 *	0		0	0		0	0
314540 Turbogenerators	8,668,819	4,903,683	2.7 *	234,058	2.2	190,714	(43,344)	2.2	190,714	(43,344)
315540 Acces. Electric Equipment	986,581	557,601	3.9 *	38,477	3.1	30,584	(7,893)	3.1	30,584	(7,893)
316540 Miscellaneous	54,245	12,643	5.2 *	2,821	2.0	1,085	(1,736)	2.0	1,085	(1,736)
	10,205,075	5,710,797		288,237		231,301	(56,936)		231,301	(56,936)
Unit 5										
311550 Structures	2,529,549	567,169	3.8 *	96,123	2.1	53,121	(43,002)	2.1	53,121	(43,002)
312550 Boiler Plant	26,886	24,277	4.3 *	1,156	3.8	1,022	(134)	3.8	1,022	(134)
314550 Turbogenerators	12,622,806	5,096,900	4.3 *	542,781	2.4	302,947	(239,834)	2.4	302,947	(239,834)
315550 Acces. Electric Equipment	2,157,263	877,588	4.1 *	88,448	3.1	66,875	(21,573)	3.1	66,875	(21,573)
316550 Miscellaneous	182,812	67,127	3.8 *	6,947	2.6	4,753	(2,194)	2.6	4,753	(2,194)
	17,519,316	6,633,061		735,455		428,718	(306,737)		428,718	(306,737)
Unit 6										
311560 Structures	4,528,803	2,636,259	2.5 *	113,220	2.5	113,220	0	2.5	113,220	0
312560 Boiler Plant	37,154,443	15,778,126	3.9 *	1,449,023	4.0	1,486,178	37,155	4.0	1,486,178	37,155
314560 Turbogenerators	23,225,362	10,250,762	3.5 *	812,888	3.5	812,888	0	3.5	812,888	0
315560 Acces. Electric Equipment	6,554,657	3,398,385	3.7 *	242,522	3.8	249,077	6,555	3.8	249,077	6,555
316560 Miscellaneous	620,141	178,694	2.8 *	17,364	4.3	26,666	9,302	4.3	26,666	9,302
	72,083,406	32,242,226		2,635,017		2,688,029	53,012		2,688,029	53,012
Total Gannon	170,734,781	78,901,133		6,295,773		5,403,754	(892,019)		5,403,754	(892,019)

* Denotes restated reserve after allocations preliminarily approved.

** Denotes composite depreciation rate of all Gannon Units prescribed for preliminary implementation by Order No. PSC-99-1398-PCO-EI.

**TAMPA ELECTRIC COMPANY
GANNON REPOWERING/BIG BEND UNIT 1 & 2 SCRUBBER
COMPARISON OF EXPENSES**

ACCOUNT	1/1/2000 INVESTMENT	1/1/2000 RESERVE	CURRENT		COMPANY REVISED PROPOSAL			STAFF RECOMMENDED		
			RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
GANNON OBO										
- Common -										
311700 Structures	3,239,837	946,357	2.4 *	77,756	1.6	51,837	(25,919)	1.6	51,837	(25,919)
312700 Boiler Plant	588,209	152,677	2.5 *	14,705	1.9	11,176	(3,529)	1.9	11,176	(3,529)
	<u>3,828,046</u>	<u>1,099,034</u>		<u>92,461</u>		<u>63,013</u>	<u>(29,448)</u>		<u>63,013</u>	<u>(29,448)</u>
- Unit 1 -										
311710 Structures	147,926	97,335	2.9 *	4,290	4.6	6,805	2,515	4.6	6,805	2,515
- Unit 2 -										
311720 Structures	167,460	105,393	3.0 *	5,024	4.4	7,368	2,344	4.4	7,368	2,344
- Unit 3 -										
311730 Structures	279,846	71,839	2.8 *	7,836	1.7	4,757	(3,078)	1.7	4,757	(3,078)
- Unit 4 -										
311740 Structures	369,131	100,369	2.7 *	9,967	1.7	6,275	(3,691)	1.7	6,275	(3,691)
Total Gannon OBO	4,792,409	1,473,970		119,577		88,219	(31,358)		88,219	(31,358)
TOTAL GANNON STATION REMAINING ASSETS	175,527,190	80,375,103		6,415,350		5,491,973	(923,377)		5,491,973	(923,377)
RECOVERY SCHEDULE	287,686,788	221,428,929	3.6 **	10,356,724	5-Yr. Recov.	13,874,690	3,517,966	5-Yr. Recov.	13,874,690	3,517,966
TOTAL GANNON REPOWERING	463,213,978	301,804,032		16,772,075		19,366,663 @	2,594,588		19,366,663 @	2,594,588
BIG BEND UNIT 1 & 2 SCRUBBER	81,871,000	0		0	4.9	4,011,679	4,011,679	4.6	3,766,066	3,766,066
TOTAL GANNON AND SCRUBBER	545,084,978	301,804,032		16,772,075		23,378,342	6,606,267		23,132,729	6,360,654

* Denotes restated reserve after allocations preliminarily approved.

** Denotes composite depreciation rate of all Gannon Units prescribed for preliminary implementation by Order No. PSC-99-1398-PCO-EI.

@ Includes amortization of budgeted additions.

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DOCKET NO. 990529-EI
DATE: February 17, 2000

ATTACHMENT E
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