



ORIGINAL

July 13, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 971660-EI

Dear Ms. Bayo:

Enclosed for filing please find Florida Power & Light Company's responses to two informal questions from Staff in Docket 971660-EI.

If you have any questions, please do not hesitate to contact me at (305) 552-3643.

Sincerely,

Samuel S. Waters
Director, Regulatory Affairs

cc: Pat Lee

ACK lee
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1
LIN _____
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

an FPL Group company

07420 JUL 14 8

07420 JUL 14 8

1155



ORIGINAL

July 13, 1998

Ms. Pat Lee
Utility Systems/Communications Engineer Supervisor
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 971660-EI, 1997 Depreciation Study by Florida Power & Light Company

Dear Ms. Lee:

Below are responses to your follow up questions:

1. **Please explain why Florida Power & Light Company changed the life of Scherer Unit No. 4 from 40 to 30 years.**

The basis for changing the life of Scherer Unit No. 4 from 40 to 30 years is the impacts on the equipment of burning western coal. The use of western coal, which began in 1996, impacts the lives of the boiler equipment, pollution control equipment and the fuel handling systems. Because of the lower cost of western coal, the plant is run at higher capacity factors, which contributes to increased equipment wear. The reduced life of the boiler equipment results from increased slag build up and increased volumes of fly ash. Slag is very heavy and forms in all parts of the boiler. Large chunks, the size of an automobile, occasionally break loose and fall to the bottom of the boiler which stress the tubes and causes premature failures. The life of the coal handling equipment is reduced due to erosion from increased volumes of material handled. The increased volume of coal through the boiler also generates additional back end ash waste and handling of waste gases resulting in a shorter life of the pollution control equipment.

Even though the turbine generator system will not be affected by burning western coal, Florida Power & Light Company does not anticipate any future use of the turbine generator system after the boiler is retired at approximately a 30 year life.

2. **Please explain why Florida Power & Light Company change the lives of its GTs from 2003 to 2007?**

Florida Power & Light Company (FPL) utilizes the GTs for peaking capacity. As a result of low capacity factors, running hours, maintenance programs, and increased experience in the utilization of these assets, FPL currently anticipates that the GTs will continue in service until the 2007 time frame.

If you need any further information please call me at (305) 552-4790

Sincerely,



Donald L. Babka

Director of Regulatory and Tax Accounting

cc: W.G. Walker III
Matthew M. Childs