

MEMORANDUM

June 14, 1995

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *W*

RE: DOCKET NO. 950001-EI -- TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE AUDIT REPORT - PERIOD ENDED 03/31/95
AUDIT CONTROL NO. 94-283-2-2

The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit was prepared using a micro computer and has been recorded on one diskette. The diskette may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are no confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Tampa Electric Company
R. D. Chapman
P. O. Box 111
Tampa, FL 33601-0111

DNV/sp

Attachment

cc: Chairman Clark
Commissioner Deason
Commissioner Johnson
Commissioner Kiesling
Commissioner Garcia
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
File Folder)
Division of Electric and Gas (Dudley)
Tampa District Office (Bouckaert)

Office of Public Counsel

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

12 MONTHS ENDED MARCH 31, 1995

Field Work Completed

May 26, 1995

TAMPA ELECTRIC COMPANY, Inc.

Tampa, Florida

Hillsborough County

Capacity Cost Recovery Clause Audit

Docket 950001-EI

Audit Control Number 94-283-2-2

Robert T. Moore

**Robert T. Moore
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Regulatory Analyst Supervisor
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FINANCIAL ANALYSIS DIV

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FPSC-RECORDS/REPORTING

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I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to audit the appended Capacity Cost Recovery True-up Schedules prepared by Tampa Electric Company in support of Docket No. 950001-EI for the two 6 month periods ended September 30, 1994 and March 31, 1995.

SCOPE LIMITATION: There are no confidential workpapers associated with this report. The last day of field work was May 26, 1995. The Company declined the audit exit conference.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted audit standards and produce audited financial statements for public use.

OPINION: The appended exhibits for Capacity Cost Recovery True-up for the 6 month periods ended September 30, 1994 and March 31, 1995 do represent the books and records of the Company in substantial compliance with Commission Directives. The expressed opinions extend only to the scope of work described in Section II of this report.

II. AUDIT SCOPE

This report is based on the audit work described below.

COMPILED: means that the audit staff reconciled exhibit amounts with the general ledger; visually scanned accounts for error or inconsistency; disclosed any unresolved error, irregularity or inconsistency; and, except as noted performed no other audit work.

EXPENSES: Compiled capacity costs. Agreed capacity costs to Tampa Electric Company billing statements. Identified costs by vendor.

REVENUE: Compiled Capacity Cost Recovery (CCR) revenue and non-CCR capacity revenue. Recomputed CCR Revenues. Reconciled non-CCR capacity revenues to Tampa Electric Company billing statements. Identified the firm sales capacity revenue not included in the filing for September, 1994. Agreed the accumulation of customer bills to the general ledger for September, 1994. Judgementally selected and tested 6 customer bills for proper CCR revenue.

TRUE-UP: Compiled CCR true-up. Recomputed CCR true-up.

OTHER: Performed analytical review on capacity costs and recovery revenues.

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD OCTOBER 1994 THROUGH MARCH 1995

	(1) ACTUAL OCTOBER	(2) ACTUAL NOVEMBER	(3) ACTUAL DECEMBER	(4) ACTUAL JANUARY	(5) ACTUAL FEBRUARY	(6) ACTUAL MARCH	(7) TOTAL
1. UNIT POWER CAPACITY CHARGES	\$ 1,215,179	\$ 1,215,179	\$ 830,405	\$ 1,203,014	\$ 1,209,615	\$ 1,208,495	\$ 6,881,887
2. CAPACITY PAYMENTS TO COGENERATORS	545,270	545,270	545,270	914,190	914,190	914,190	4,378,380
3. EMERGENCY CAPACITY CHARGES	0	0	0	0	0	0	0
4. (CAPACITY REVENUES)	(113,397)	(116,298)	(87,191)	(89,467)	(96,797)	(89,025)	(592,175)
5. TOTAL CAPACITY CHARGES - CURRENT PERIOD	\$ 1,647,052	\$ 1,644,151	\$ 1,288,484	\$ 2,027,737	\$ 2,027,008	\$ 2,033,660	\$ 10,668,092
6. JURISDICTIONAL PERCENTAGE	98.28667%	98.28667%	98.28667%	98.28667%	98.28667%	98.28667%	-
7. JURISDICTIONAL CAPACITY PAYMENTS	\$ 1,818,333	\$ 1,815,981	1,266,408	\$ 1,992,995	\$ 1,992,279	\$ 1,998,817	\$ 10,485,313
8. CAPACITY COST RECOVERY REVENUES (NET OF REVENUE TAXES)	1,659,867	1,506,800	1,480,487	1,611,779	1,597,080	1,383,702	9,239,715
9. PRIOR PERIOD TRUE-UP PROVISION	267,429	267,429	267,429	267,429	267,429	267,427	1,604,572
10. CAPACITY COST RECOVERY REVENUES APPLICABLE TO CURRENT PERIOD (NET OF REVENUE TAXES)	\$ 1,927,296	\$ 1,774,229	\$ 1,747,916	\$ 1,879,208	\$ 1,864,509	\$ 1,651,129	\$ 10,844,287
11. TRUE-UP PROVISION FOR MONTH - OVER/ (UNDER) RECOVERY (LINE 10 - LINE 7)	\$ 308,463	\$ 158,248	\$ 481,508	\$ (113,787)	\$ (127,770)	\$ (347,688)	\$ 358,974
12. INTEREST PROVISION FOR MONTH	6,644	6,935	7,896	7,806	5,897	3,377	38,555
13. TRUE-UP & INTEREST PROVISION BEGINNING OF MONTH - OVER/(UNDER) RECOVERY	1,604,572	1,652,250	1,550,004	1,771,979	1,398,589	1,009,267	1,604,572
14. DEFERRED TRUE-UP - OVER/(UNDER) RECOVERY	(35,650)	(35,650)	(35,650)	(35,650)	(35,650)	(35,650)	(35,650)
15. PRIOR PERIOD TRUE-UP PROVISION - COLLECTED/(REFUNDED) THIS MONTH	(267,429)	(267,429)	(267,429)	(267,429)	(267,429)	(267,427)	(1,604,572)
16. END OF PERIOD TRUE-UP - OVER/(UNDER) RECOVERY (SUM OF LINES 11 - 15)	\$ 1,616,600	\$ 1,514,354	\$ 1,736,329	\$ 1,362,919	\$ 973,617	\$ 361,879	\$ 361,879

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD OCTOBER 1994 THROUGH MARCH 1995

	(1) ACTUAL OCTOBER	(2) ACTUAL NOVEMBER	(3) ACTUAL DECEMBER	(4) ACTUAL JANUARY	(5) ACTUAL FEBRUARY	(6) ACTUAL MARCH	(7) TOTAL
1. BEGINNING TRUE-UP AMOUNT	1,568,922	1,616,600	1,514,354	1,736,329	1,362,919	973,617	N/A
2. ENDING TRUE-UP AMOUNT BEFORE INTEREST	1,609,956	1,507,419	1,728,433	1,355,113	967,720	358,502	N/A
3. TOTAL BEGINNING & ENDING TRUE-UP AMOUNT (LINES 1 + 2)	3,178,878	3,124,019	3,242,787	3,091,442	2,330,639	1,332,119	N/A
4. AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	1,589,439	1,562,010	1,621,394	1,545,721	1,165,320	666,060	N/A
5. INT. RATE % - FIRST DAY REP. BUS. MONTH	5.040	5.000	5.660	6.030	6.100	6.050	N/A
6. INT. RATE % - FIRST DAY SUBSEQUENT MONTH	5.000	5.660	6.030	6.100	6.050	6.120	N/A
7. TOTAL (LINE 5 + LINE 6)	10.040	10.660	11.690	12.130	12.150	12.170	N/A
8. AVERAGE INT. RATE % (50% OF LINE 7)	5.020	5.330	5.845	6.065	6.075	6.085	N/A
9. MONTHLY AVG. INT. RATE % (LINE 8/12)	0.418	0.444	0.487	0.505	0.506	0.507	N/A
10. INT. PROVISION (LINE 4 X LINE 9)	\$6,644	\$6,935	\$7,896	\$7,806	\$5,897	\$3,377	\$38,555

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD APRIL 1994 THROUGH SEPTEMBER 1994

	(1) ACTUAL APRIL	(2) ACTUAL MAY	(3) ACTUAL JUNE	(4) ACTUAL JULY	(5) ACTUAL AUGUST	(6) ACTUAL SEPTEMBER	(7) TOTAL
1. UNIT POWER CAPACITY CHARGES	\$ 1,227,678	\$ 1,212,408	\$ 1,176,658	\$ 1,215,179	\$ 1,215,179	\$ 1,215,179	\$ 7,262,281
2. CAPACITY PAYMENTS TO COGENERATORS	545,270	545,270	545,270	545,270	545,270	545,270	3,271,620
3. EMERGENCY CAPACITY CHARGES	0	1,890	0	0	0	0	1,890
4. (CAPACITY REVENUES)	(174,681)	(88,349)	(79,135)	(115,316)	(122,866)	(61,582)	(641,929)
5. TOTAL CAPACITY CHARGES - CURRENT PERIOD	\$ 1,598,267	\$ 1,671,219	\$ 1,642,793	\$ 1,645,133	\$ 1,637,583	\$ 1,698,867	\$ 9,893,862
6. JURISDICTIONAL PERCENTAGE	98.28667%	98.28667%	98.28667%	98.28667%	98.28667%	98.28667%	-
7. JURISDICTIONAL CAPACITY PAYMENTS	\$ 1,570,883	\$ 1,642,586	\$ 1,614,647	\$ 1,616,946	\$ 1,609,526	\$ 1,669,760	\$ 9,724,348
8. CAPACITY COST RECOVERY REVENUES (NET OF REVENUE TAXES)	1,594,038	1,760,230	1,944,948	2,046,408	1,958,547	2,028,266	11,332,487
9. PRIOR PERIOD TRUE-UP PROVISION	(152,318)	(152,318)	(152,318)	(152,318)	(152,318)	(152,316)	(913,906)
10. CAPACITY COST RECOVERY REVENUES APPLICABLE TO CURRENT PERIOD (NET OF REVENUE TAXES)	\$ 1,441,770	\$ 1,607,912	\$ 1,792,630	\$ 1,894,090	\$ 1,806,229	\$ 1,875,950	\$ 10,418,581
11. TRUE-UP PROVISION FOR MONTH - OVER/ (UNDER) RECOVERY (LINE 10 - LINE 7)	\$ (129,113)	\$ (34,674)	\$ 177,383	\$ 277,144	\$ 196,703	\$ 206,190	\$ 694,233
12. INTEREST PROVISION FOR MONTH	(128)	102	937	2,367	3,972	5,688	12,938
13. TRUE-UP & INTEREST PROVISION BEGINNING OF MONTH - OVER/(UNDER) RECOVERY	(913,906)	(890,829)	(773,083)	(441,845)	(10,016)	342,977	(913,906)
14. DEFERRED TRUE-UP - OVER/(UNDER) RECOVERY	861,751	861,751	861,751	861,751	861,751	861,751	861,751
15. PRIOR PERIOD TRUE-UP PROVISION - COLLECTED/(REFUNDED) THIS MONTH	152,318	152,318	152,318	152,318	152,318	152,316	913,906
16. END OF PERIOD TRUE-UP - OVER/(UNDER) RECOVERY (SUM OF LINES 11 - 15)	\$ (29,078)	\$ 88,668	\$ 419,906	\$ 851,735	\$ 1,204,728	\$ 1,568,922	\$ 1,568,922

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD APRIL 1994 THROUGH SEPTEMBER 1994

	(1) ACTUAL APRIL	(2) ACTUAL MAY	(3) ACTUAL JUNE	(4) ACTUAL JULY	(5) ACTUAL AUGUST	(6) ACTUAL SEPTEMBER	(7) TOTAL
1. BEGINNING TRUE-UP AMOUNT	(52,155)	(29,078)	88,668	419,906	851,735	1,204,728	N/A
2. ENDING TRUE-UP AMOUNT BEFORE INTEREST	(28,950)	88,566	418,969	849,368	1,200,756	1,563,234	N/A
3. TOTAL BEGINNING & ENDING TRUE-UP AMOUNT (LINES 1 + 2)	(81,105)	59,488	507,637	1,269,274	2,052,491	2,767,962	N/A
4. AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(40,553)	29,744	253,819	634,637	1,026,246	1,383,981	N/A
5. INT. RATE % - FIRST DAY REP. BUS. MONTH	3.690	3.900	4.360	4.500	4.460	4.820	N/A
6. INT. RATE % - FIRST DAY SUBSEQUENT MONTH	3.900	4.360	4.500	4.460	4.820	5.040	N/A
7. TOTAL (LINE 5 + LINE 6)	7.590	8.260	8.860	8.960	9.280	9.860	N/A
8. AVERAGE INT. RATE % (50% OF LINE 7)	3.795	4.130	4.430	4.480	4.640	4.930	N/A
9. MONTHLY AVG. INT. RATE % (LINE 8/12)	0.316	0.344	0.369	0.373	0.387	0.411	N/A
10. INT. PROVISION (LINE 4 X LINE 9)	(\$128)	\$102	\$937	\$2,367	\$3,972	\$5,688	\$12,938

State of Florida

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



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Public Service Commission

June 15, 1995

Tampa Electric Company
R. D. Chapman
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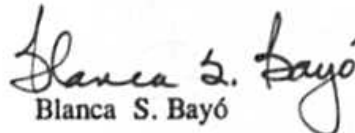
Dear R. D. Chapman:

RE: Docket No. 950001-EI - Tampa Electric Company
Capacity Cost Recovery Clause Audit Report - Period Ended March 31, 1995
Audit Control # 94-283-2-2

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above date will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayo

BSB/mas
Enclosure
cc: Public Counsel
Macfarlane Ausley Law Firm