

M E M O R A N D U M

December 13, 1995

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 950002-EG -- TAMPA ELECTRIC COMPANY  
CONSERVATION AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1995  
AUDIT CONTROL NO. 95-242-2-2

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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 working papers are available for review on request. There are no confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Tampa Electric Company  
Jana A. Hathorne  
Post Office 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 (Haff)  
Tampa District Office (Bouckaert)

Office of Public Counsel

DOCUMENT NUMBER-DATE

12556 DEC 14 1995

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

12 MONTHS ENDED SEPTEMBER 30, 1995

Field Work Completed

November 21, 1995

TAMPA ELECTRIC COMPANY

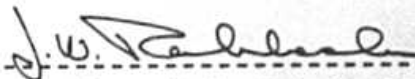
Tampa, Florida

Hillsborough County

Energy Conservation Audit

Docket Number 950002-EG

Audit Control Number 95-242-2-2



Joseph W. Rohrbacher  
Audit Manager

Audit Staff

Anne Lawler

Minority Opinion

Yes \_\_\_\_\_ No al



Ann Bouckaert  
Public Utilities Supervisor  
Tampa

DOCUMENT NUMBER-DATE

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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 Energy Conservation Cost Recovery (ECCR) schedule CT-2, pg. 1 for the twelve month period ended September 30, 1995 prepared by Tampa Electric Company for Energy Conservation Cost Recovery, FPSC Docket Number 950002-EG.

**Scope Limitation:** The exit conference was waived by the Company. Neither the work papers nor the report contain any confidential information.

**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 auditing standards and produce audited financial statements for public use.

**Opinion:** The actual amounts recorded in the appended ECCR schedule CT-2, pg. 1, filed by Tampa Electric Company for the twelve month period ending September 30, 1995 in support of Docket Number 950002-EG represent Utility's books and records maintained in substantial compliance with Commission Directives. The expressed opinions extend only to the scope of work described in Section II of this report.

### Summary Findings:

Order No. PSC-95-0398-FOF-EG approved an end-of-the-period-true-up as of September 30, 1994, which included an amount for expenses not allowed as recoverable under the ECCR. The utility did not reflect these expenses in the beginning of period true-up amount, but did remove them from its filing in March 1995.

## II. AUDIT SCOPE:

The opinions contained in this report are based on the audit work described below. When used in this report COMPILED means that audit work includes:

**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 otherwise noted performed no other audit work.

**ECCR Program Expenses:** Compiled ECCR program expenses. Recalculated depreciation and return of investment for investments recorded in the Prime Time and the C&I Load Management Program. Used analytic review to compare program costs in current period to prior periods. Further investigated those costs which were outside of predetermined parameters. On a judgementally selected basis tested components of the Duct Repair and Commercial Lighting Programs. Verified that no expenses from the Demand-Side Management Goals docket were included in the ECCR filing.

**ECCR Revenues:** Tested utility's calculation of ECCR revenues. Agreed Conservation revenues and KWH sales to utility billing summary report, Calculation of Revenues.

**ECCR True-up:** Recomputed ECCR True-up balance for the 12-months ended 9/30/95.

**AUDIT DISCLOSURE NO. 1**

**SUBJECT: TRUE-UP AND INTEREST PROVISION**

**STATEMENT OF FACT:**

Order No. PSC-95-0398-FOF-EG approved an actual end-of-the-period true-up for the period October 1, 1993 through September 30, 1994 in the amount of \$(545,918) as an overrecovery for TECO's "Energy Conservation Cost Recovery" (ECCR). This amount would be the beginning true-up for the current ECCR filing, Dkt.950002-EG.

On schedule CT-2, Calculation of True-up and Interest Provision, For Months October 1994 through september 1995, the utility shows \$(466,563) as a beginning true-up amount.

The difference between these amounts, \$79,355, represents expenses not allowed as recoverable under the prior ECCR filing, Dkt.940002-EG. The utility removed this amount from its filing in March 1995.

**AUDITOR OPINION:**

The difference in the recording of this adjustment by the Commission and the utility results in a change of \$2,117 in the interest provision for the filing period. The amount is small enough that it would not affect the cost recovery factor in the current ECCR filing.

Accept the utility filing as is for the ECCR, Dkt.950002-EG.

**COMPANY COMMENT:**

(Attached)

**MEMORANDUM**

**SUBJECT:** Company Comment on Audit Disclosure No. 1  
**DATE:** November 28, 1995  
**FROM:** Jeff Chronister  
**TO:** Joe Rohrbacher

Tampa Electric Company agrees that schedule CT-2, Calculation of True-up and Interest Provision for Months October 1994 through September 1995 does reflect (\$466,563) as a beginning true-up amount. We also agree that the \$79,355 was removed from the March 1995 expenses pursuant to order PSC 95-0398-FOF-EG, which was received that same month. We agree with the auditor's opinion that the amount is small enough that it would not affect the cost recovery factor in the current ECCR filing and the filing should be accepted as is.

The company does not need to have an exit conference.

**TAMPA ELECTRIC COMPANY**  
**Analysis of Energy Conservation Program Costs**  
**Actual vs. Projected**  
**For Months October 1994 through September 1995**

Description	(A) Actual	(B) Projected	(C) Difference
1. Capital Investment	\$1,482,134	\$1,623,322	(\$141,188)
2. Payroll	2,540,572	2,911,252	(370,680)
3. Materials and Supplies	128,727	188,896	(60,169)
4. Outside Services	697,954	405,147	292,807
5. Advertising	255,496	566,438	(310,942)
6. Incentives	13,156,718	12,439,044	717,674
7. Vehicles	150,687	204,331	(53,644)
8. Other	<u>(854,747)</u>	(887,657)	32,910
9. Subtotal	17,557,541	17,450,773	106,768
10. Less: Program Revenues	<u>(270)</u>	0	(270)
11. Total Program Costs	17,557,271	17,450,773	106,498
12. Adjustments	0	0	0
13. Beginning of Period True-up Overrecovery	(466,563)	(466,563)	0
14. Amounts included in Base Rates	0	0	0
15. Conservation Adjustment Revenues	<u>(18,605,500)</u>	<u>(18,399,575)</u>	(205,925)
16. True-up Before Interest	1,514,792	1,415,365	99,427
17. Interest Provision	<u>65,759</u>	<u>12,858</u>	52,901
18. End of Period True-up	<u>\$1,580,551</u>	<u>\$1,428,223</u>	<u>\$152,328</u>



State of Florida

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



DIVISION OF RECORDS &  
REPORTING  
BLANCA S. BAYO  
DIRECTOR  
(904) 413-6770

**Public Service Commission**

December 14, 1995

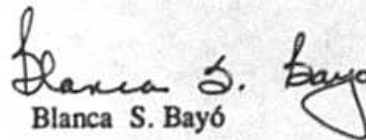
Ms. Jana A. Hathorne  
Tampa Electric Company  
Post Office Box 111  
Tampa, Florida 33601-0111

Dear Ms. Hathorne:

RE: Docket No. 950002-EG -- Tampa Electric Company  
Conservation Audit Report - Period Ended September 30, 1995  
Audit Control #95-242-2-2

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.

Sincerely,

  
Blanca S. Bayo

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