

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: May 16, 2001
TO: Division of Safety and Electric Reliability (Daniel Lee)
FROM: Division of Regulatory Oversight (Vandiver) *W*
RE: Docket No. 010001-EI; Tampa Electric; Capacity Cost; Audit Control No. 01-037-2-2

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of Records and Reporting. There are no confidential work papers associated with this audit.

Attachment

cc: Division of Regulatory Oversight (Hoppe, Harvey, District Offices, File Folder)
Division of Records and Reporting
Division of Legal Services

Ms. Angela Llewellyn
Tampa Electric Company
P.O. Box 111
Tampa, Fl. 33601-0111

Ausley Law Firm

DOCUMENT NUMBER-DATE

07719 JUN 21 06

FPSC-RECORDS/REPORTING

MEMORANDUM

Date: 5/2/01

TO: DENISE VANDIVER, CHIEF OF AUDITING, DIV OF AUDITING & FINANCIAL ANALYSIS
FROM: JAMES MCPHERSON, TAMPA DISTRICT AUDIT SUPERVISOR
RE: COMPLETED AUDIT SUMMARY REPORT

Originator DAVID LEE
Company TAMPA ELECTRIC CO
AFA Control No. 01-037-2-2 Docket No. _____
Purpose of Audit CAPACITY COST CLAUSE

Auditors Assigned V. ALDRIDGE Audit Hrs 152 : _____ Audit Hrs _____

Auditors Assigned _____ Audit Hrs _____ : _____ Audit Hrs _____

Audit Manager J. STEPHENS Hrs 72 District Audit Supervisor Hrs 10

Date Field Work Began _____ Field Work Ended _____

Estimated Hours 225 Total Hours Charged (including travel & supervisor) 234

FOR THE FOLLOWING ITEMS USE ADDITIONAL PAPER AS NECESSARY - BE SPECIFIC
RECOMMENDATIONS FOR NEXT AUDIT: _____



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF REGULATORY OVERSIGHT
BUREAU OF AUDITING SERVICES*

Tampa District Office

TAMPA ELECTRIC COMPANY

CAPACITY CLAUSE AUDIT

TWELVE-MONTHS ENDED DECEMBER 31, 2000

**DOCKET 010001-EI
AUDIT CONTROL NO. 01-037-2-2**

Vincent Aldridge / By J. McPherson

Vincent C. Aldridge, Audit Staff

Jocelyn Y. Stephens

Jocelyn Y. Stephens, Audit Manager

James A. McPherson

James A. McPherson, Tampa District Supervisor

TABLE OF CONTENTS

I.	AUDITOR'S REPORT	PAGE
	PURPOSE	3
	DISCLAIM PUBLIC USE	3
	SUMMARY OF SIGNIFICANT PROCEDURES	4
II.	EXHIBITS (FROM CAPACITY FILING)	
	CALCULATION OF FINAL TRUE-UP - 12 MOS ENDED 12/31/00	5
	CALCULATION OF INTEREST PROVISION - 12 MOS ENDED 12/31/00	6

**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

MARCH 13, 2001

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the accompanying Capacity Cost Recovery True-up schedules for the historical twelve month period ending December 31, 2000 for Tampa Electric Company. These schedules were prepared by the utility as part of its petition for a Fuel Cost Factor Adjustment in Docket 010001-EI. There is no confidential information associated with this audit and there are no minority opinions.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should 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.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in the report:

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Verify - The item was tested for accuracy, and substantiating documentation was examined.

REVENUE: Compiled Capacity Cost Recovery (CCR) revenue and agreed to the filing. Recomputed CCR Revenues using approved FPSC rate factors and company provided KWH sales.

EXPENSES: Recomputed Capacity costs. Agreed capacity costs to Tampa Electric billing statements. Identified costs by vendor. Performed audit test work of capacity cost payments to verify that Qualifying Facilities were paid according to contract for electric power supplied to the utility.

TRUE-UP: Recomputed CCR True-up and interest using FPSC approved amounts and interest rates.

OTHER : Scanned the minutes of Tampa Electric Board of Director's meetings since the previous audit.

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

	(1) ACTUAL JANUARY	(2) ACTUAL FEBRUARY	(3) ACTUAL MARCH	(4) ACTUAL APRIL	(5) ACTUAL MAY	(6) TOTAL JAN-MAY	(7) ACTUAL JUNE	(8) ACTUAL JULY	(9) ACTUAL AUGUST	(10) ACTUAL SEPTEMBER	(11) ACTUAL OCTOBER	(12) ACTUAL NOVEMBER	(13) ACTUAL DECEMBER	(14) TOTAL JUN-DEC
1. UNIT POWER CAPACITY CHARGES	\$1,126,097	\$1,126,097	\$1,126,097	\$1,126,097	\$1,800,295	\$6,304,683	\$1,577,647	\$1,558,153	\$1,635,357	\$1,635,357	\$1,635,357	\$1,455,917	\$1,635,357	\$11,133,145
2. CAPACITY PAYMENTS TO COGENERATORS	920,920	920,920	920,920	943,690	943,690	4,650,140	920,920	966,460	943,690	943,690	943,690	943,690	943,690	6,605,830
3. EMERGENCY CAPACITY CHARGES	1,065,000	1,065,000	760,000	(305,239)	579,504	3,164,265	1,259,211	1,530,580	1,711,396	471,104	131,781	130,491	132,237	5,366,800
4. (CAPACITY REVENUES)	(982,899)	(1,024,341)	(953,315)	(970,955)	(968,011)	(4,899,521)	(946,070)	(951,455)	(888,558)	(839,463)	(897,548)	(850,285)	(912,866)	(6,286,245)
5. TOTAL CAPACITY CHARGES - CURRENT PERIOD	\$2,129,118	\$2,087,676	\$1,853,702	\$793,593	\$2,355,478	\$9,219,567	\$2,811,708	\$3,103,738	\$3,401,885	\$2,210,688	\$1,813,280	\$1,679,813	\$1,798,418	\$16,819,530
6. JURISDICTIONAL PERCENTAGE	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	98.19621%	.
7. JURISDICTIONAL CAPACITY PAYMENTS	\$2,090,713	\$2,050,019	\$1,820,265	\$779,278	\$2,312,990	\$9,053,265	\$2,760,991	\$3,047,753	\$3,340,522	\$2,170,812	\$1,780,572	\$1,649,513	\$1,765,978	\$16,516,141
8. CAPACITY COST RECOVERY REVENUES (NET OF REVENUE TAXES)	1,847,953	1,836,890	1,606,361	1,721,931	1,935,439	8,948,574	2,867,247	3,226,989	3,259,257	3,331,593	3,000,959	2,421,954	2,606,421	20,714,420
9. PRIOR PERIOD TRUE-UP PROVISION	(252,146)	(252,146)	(252,146)	(252,146)	(252,146)	(1,260,730)	(839,889)	(839,889)	(839,889)	(839,889)	(839,889)	(839,889)	(839,892)	(5,879,226)
10. CAPACITY COST RECOVERY REVENUES APPLICABLE TO CURRENT PERIOD (NET OF REVENUE TAXES)	\$1,595,807	\$1,584,744	\$1,354,215	\$1,469,785	\$1,683,293	\$7,687,844	\$2,027,358	\$2,387,100	\$2,419,368	\$2,491,704	\$2,161,070	\$1,582,065	\$1,766,529	\$14,835,194
11. TRUE-UP PROVISION FOR MONTH - OVER/ (UNDER) RECOVERY (LINE 10 - LINE 7)	(\$494,906)	(\$465,275)	(\$466,050)	\$690,507	(\$629,697)	(\$1,365,421)	(\$733,633)	(\$660,653)	(\$921,154)	\$320,892	\$380,498	(\$67,448)	\$551	(\$1,680,947)
12. INTEREST PROVISION FOR MONTH	(12,845)	(14,224)	(15,705)	(14,402)	(13,572)	(70,748)	(14,824)	(14,045)	(13,753)	(10,908)	(4,526)	851	5,275	(51,930)
13. TRUE-UP & INTEREST PROVISION BEGINNING OF MONTH - OVER/(UNDER) RECOVERY	(3,025,749)	(3,281,354)	(3,508,707)	(3,738,316)	(2,810,065)	(3,025,749)	(5,879,226)	(5,787,794)	(5,622,603)	(5,717,621)	(4,567,748)	(3,351,887)	(2,578,595)	(5,879,226)
14. DEFERRED TRUE-UP - OVER/(UNDER) RECOVERY	442,999	442,999	442,999	442,999	442,999	442,999	3,121,037	3,121,037	3,121,037	3,121,037	3,121,037	3,121,037	3,121,037	3,121,037
15. PRIOR PERIOD TRUE-UP PROVISION - COLLECTED/(REFUNDED) THIS MONTH	252,146	252,146	252,146	252,146	252,146	1,260,730	839,889	839,889	839,889	839,889	839,889	839,889	839,892	5,879,226
16. END OF PERIOD TRUE-UP - OVER/(UNDER) RECOVERY (SUM OF LINES 11 - 15)	(\$2,838,355)	(\$3,065,708)	(\$3,295,317)	(\$2,367,066)	(\$2,758,189)	(\$2,758,189)	(\$2,666,757)	(\$2,501,566)	(\$2,596,584)	(\$1,446,711)	(\$230,850)	\$542,442	\$1,388,160	\$1,388,160

EXHIBIT NO. _____
 DOCKET NO. 010001-EI
 TAMPA ELECTRIC COMPANY
 (IDJ-1)
 DOCUMENT NO. 1
 PAGE 2 OF 4

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

	(1) ACTUAL JANUARY	(2) ACTUAL FEBRUARY	(3) ACTUAL MARCH	(4) ACTUAL APRIL	(5) ACTUAL MAY	(6) TOTAL JAN-MAY	(7) ACTUAL JUNE	(8) ACTUAL JULY	(9) ACTUAL AUGUST	(10) ACTUAL SEPTEMBER	(11) ACTUAL OCTOBER	(12) ACTUAL NOVEMBER	(13) ACTUAL DECEMBER	(14) TOTAL JUN-DEC
1. BEGINNING TRUE-UP AMOUNT	(2,582,750)	(2,838,355)	(3,065,708)	(3,295,317)	(2,367,066)	N/A	(2,758,189)	(2,666,757)	(2,501,566)	(2,596,584)	(1,446,711)	(230,850)	542,442	N/A
2. ENDING TRUE-UP AMOUNT BEFORE INTEREST	(2,825,510)	(3,051,484)	(3,279,612)	(2,352,664)	(2,744,617)	N/A	(2,651,933)	(2,487,521)	(2,582,831)	(1,435,803)	(226,324)	541,591	1,382,885	N/A
3 TOTAL BEGINNING & ENDING TRUE-UP AMOUNT (LINES 1 + 2)	(5,408,260)	(5,889,839)	(6,345,320)	(5,647,981)	(5,111,683)	N/A	(5,410,122)	(5,154,278)	(5,084,397)	(4,032,387)	(1,673,035)	310,741	1,925,327	N/A
4. AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(2,704,130)	(2,944,920)	(3,172,660)	(2,823,991)	(2,555,842)	N/A	(2,705,061)	(2,577,139)	(2,542,199)	(2,016,194)	(836,518)	155,371	962,664	N/A
5 INT. RATE % - FIRST DAY REP. BUS MONTH	5.600	5.800	5.800	6.070	6.180	N/A	6.570	6.580	6.500	6.480	6.500	6.490	6.650	N/A
6. INT. RATE % - FIRST DAY SUBSEQUENT MONTH	5.800	5.800	6.070	6.180	6.570	N/A	6.580	6.500	6.480	6.500	6.490	6.650	6.500	N/A
7. TOTAL (LINE 5 + LINE 6)	11.400	11.600	11.870	12.250	12.750	N/A	13.150	13.080	12.980	12.980	12.990	13.140	13.150	N/A
8. AVERAGE INT RATE % (50% OF LINE 7)	5.700	5.800	5.935	6.125	6.375	N/A	6.575	6.540	6.490	6.490	6.495	6.570	6.575	N/A
9 MONTHLY AVG. INT. RATE % (LINE 8/12)	0.475	0.483	0.495	0.510	0.531	N/A	0.548	0.545	0.541	0.541	0.541	0.548	0.548	N/A
10 INT. PROVISION (LINE 4 X LINE 9)	(\$12,845)	(\$14,224)	(\$15,705)	(\$14,402)	(\$13,572)	(\$70,748)	(\$14,824)	(\$14,045)	(\$13,753)	(\$10,908)	(\$4,526)	\$851	\$5,275	(\$51,930)