

MEMORANDUM

June 20, 1995

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 950001-EI -- TAMPA ELECTRIC COMPANY
FUEL ADJUSTMENT (LAUSE RECOVERY AUDIT REPORT - PERIOD ENDED MARCH 1995
AUDIT CONTROL NO. 94-279-2-2

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 working papers are available for review on request. There are 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 (Dudley)
Tampa District Office (Bouckaert)

Office of Public Counsel

DOCUMENT NUMBER-DATE

05817 JUN 21 1995

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

FOR THE TWELVE MONTHS ENDED MARCH 31, 1995

Field Work Completed

June 5, 1995

TAMPA ELECTRIC COMPANY

Tampa Florida

Hillsborough County

Fuel Adjustment Clause Recovery Audit

Docket Number 950001-EI

Audit Control Number 94-279-2-2



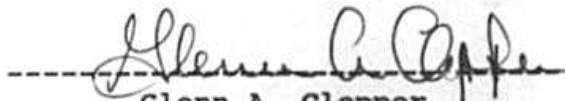
Thomas E. Stambaugh
Audit Manager

Audit Staff

Anne Lawler

Minority Opinion

Yes ___ No dl by Fed



Glenn A. Clepper
Regulatory Analyst Supervisor

DOCUMENT NUMBER-DATE

05817 JUN 21 88

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 Fuel Adjustment Cost Recovery filings, Schedule A-1, filed by Tampa Electric Company in support of Docket 950001-EI for the six month periods ended September 30, 1994 and March 31, 1995.

Scope Limitation: The last day of field work was June 5, 1995. The audit exit conference was held on June 5, 1995. The report is based on confidential information which is separately filed with the Commission Clerk.

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 appended exhibits A-1 of the Fuel Adjustment Clause Recovery Filing for the six month periods ended September 30, 1994 and March 30, 1995 represent Tampa Electric Company 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.

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.

FUEL COST OF SYSTEM NET GENERATION: Compiled accounts 501 and 547 for recoverable fuel expense on a monthly basis for the twelve month period and agreed to the Fuel Adjustment Recovery Filing (FAC). Agreed schedules provided by the company to the general ledger. Compiled accounts 151.XX for Fuel Stock (Coal, #2 oil, #6 oil) and agreed to the FAC.

TOTAL COST OF PURCHASED POWER: Compiled the following listed FAC schedules for the periods noted:

Schedule A8 - July and October, 1994

TOTAL FUEL COST AND GAINS ON POWER SALES: Compiled the following listed FAC schedules for the periods noted:

Schedule A7 - July and October, 1994.

JURISDICTIONAL KWH SALES:

Compiled fuel revenues. Agreed to the FAC.

GPIF AND TRUE-UP:

Agreed amounts shown on the filings to the amounts authorized by the Commission.

II AUDIT SCOPE (cont.)

OTHER:

Read FPSC permanent file notes of the minutes of Tampa Electric Board of Directors meetings and the work of outside auditors.

Performed analytical review procedures on unit prices and costs of generation.

Read company's new, revised and amended contracts for the purchase of oil and coal.

Read company methodology governing contract bidding process, bid evaluations and pricing mechanisms. Evaluated the reasonableness and adequacy of this methodology.

Recalculated coal inventory adjustments. Traced adjustments to the general ledger. Verified that the inventory adjustments were used in the determination of generation costs using coal.

Followed Commission procedures for the handling and recording of confidential and proprietary information. Separated those workpapers specified as confidential from others according to company responses to document/record requests.

COMPARISON OF ESTIMATED AND ACTUAL FUEL AND PURCHASED POWER COST RECOVERY FACTOR PERIOD TO DATE THROUGH: SEPTEMBER, 1954

	ESTIMATED				ACTUAL				DIFFERENCE				ESTIMATED				ACTUAL				DIFFERENCE					
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%		
1. Fuel Cost of System Net Generation (AS)	156,529,773		156,725,493	(0.1)	8,626,473		8,619,537		6,946		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822	
2. Special Nuclear Fuel Disposal Cost	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
3. Coal Car Investment	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
4. Adjustments to Fuel Cost (AS, WE1)	(11,120)		0	0.0	0		0		11,120		0		0		0		0		0		0		0		0	
5. TOTAL COST OF GENERATED POWER	156,518,653		156,725,493	(0.1)	8,626,473		8,619,537		6,946		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822		2,71822	
6. Fuel Cost of Purchased Power - Firm (AS)	3,892,457		3,840,543	(45.3)	51,482		19,633		(27,951)		(27,951)		(27,951)		(27,951)		(27,951)		(27,951)		(27,951)		(27,951)		(27,951)	
7. Energy Cost of Sch. C, E Economy Purchases (Broker) (AS)	3,419,324		785,244	79.5	38,895		26,755		14,170		14,170		14,170		14,170		14,170		14,170		14,170		14,170		14,170	
8. Energy Cost of Other Economy Purchases (Non-Broker) (AS)	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
9. Capacity Cost of Sch. E Economy Purchases (AS)	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
10. Capacity Cost of Sch. E Economy Purchases (AS)	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
11. Payments to Qualifying Facilities (ARR)	4,210,689		7,908,953	(46.3)	255,747		405,659		(149,902)		(149,902)		(149,902)		(149,902)		(149,902)		(149,902)		(149,902)		(149,902)		(149,902)	
12. TOTAL COST OF PURCHASED POWER	7,114,000		12,535,740	(42.5)	246,221		510,008		(163,688)		(163,688)		(163,688)		(163,688)		(163,688)		(163,688)		(163,688)		(163,688)		(163,688)	
13. TOTAL AVAILABLE IVE (LINE 5 + LINE 12)	163,632,653		169,261,233	(3.4)	8,872,694		9,129,545		(256,851)		(256,851)		(256,851)		(256,851)		(256,851)		(256,851)		(256,851)		(256,851)		(256,851)	
14. Fuel Cost of Economy Sales (AT)	10,216,315		9,880,064	3.6	699,955		619,044		80,911		80,911		80,911		80,911		80,911		80,911		80,911		80,911		80,911	
15. Gain on Economy Sales - 40% (ATA)	2,816,151		1,624,419	73.4	699,955		620,044		80,911		80,911		80,911		80,911		80,911		80,911		80,911		80,911		80,911	
16. Fuel Cost of Sch. B Separ. Sales (AT)	3,042,713		3,310,319	(22.6)	235,259		282,524		(47,165)		(47,165)		(47,165)		(47,165)		(47,165)		(47,165)		(47,165)		(47,165)		(47,165)	
17. Fuel Cost of Sch. B Jurisd. Sales (AT)	282,355		310,312	(11.7)	23,853		34,189		(10,336)		(10,336)		(10,336)		(10,336)		(10,336)		(10,336)		(10,336)		(10,336)		(10,336)	
18. Fuel Cost of Sch. C Jurisd. Sales (AT)	55,498		55,498	0.0	2,459		2,459		0		0		0		0		0		0		0		0		0	
19. Fuel Cost of Sch. J Jurisd. Sales (AT)	14,645		235,815	(96.3)	785		22,133		(21,448)		(21,448)		(21,448)		(21,448)		(21,448)		(21,448)		(21,448)		(21,448)		(21,448)	
20. Fuel Cost of RPP Sch. D Separ. Sales (AT)	1,166,156		2,594,822	(55.0)	55,287		141,483		(86,196)		(86,196)		(86,196)		(86,196)		(86,196)		(86,196)		(86,196)		(86,196)		(86,196)	
21. Fuel Cost of Other Power Sales (AT)	0		0	0.0	0		0		0		0		0		0		0		0		0		0		0	
22. TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17 + 18 + 19 + 20 + 21)	17,673,585		19,231,951	(8.1)	1,009,128		1,056,129		(47,001)		(47,001)		(47,001)		(47,001)		(47,001)		(47,001)		(47,001)		(47,001)		(47,001)	
23. Net Interchange Interchange (AR)	0		177		177		572		(395)		(395)		(395)		(395)		(395)		(395)		(395)		(395)		(395)	
24. Wheeling Rec'd. less Wheeling Del'y'd.	0		2,016		2,016		714		1,302		1,302		1,302		1,302		1,302		1,302		1,302		1,302		1,302	
25. Interchange and Wheeling Losses	0		18,972		18,972		17,329		1,643		1,643		1,643		1,643		1,643		1,643		1,643		1,643		1,643	
26. TOTAL FUEL AND NET POWER TRANSACTIONS (LINE 5 + 12 + 22 + 23 + 24 + 25)	186,559,148		189,029,282	(1.8)	7,947,880		8,016,764		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)	
27. Net. Mobilized (AT)	2,008,372		3,389,325	(41.7)	85,485		169,206		(83,721)		(83,721)		(83,721)		(83,721)		(83,721)		(83,721)		(83,721)		(83,721)		(83,721)	
28. Company Use (AT)	400,000		393,795	1.6	17,841		18,013		(172)		(172)		(172)		(172)		(172)		(172)		(172)		(172)		(172)	
29. T & D Losses (AT)	7,910,447		5,139,610	(35.3)	329,561		419,885		(90,324)		(90,324)		(90,324)		(90,324)		(90,324)		(90,324)		(90,324)		(90,324)		(90,324)	
30. System IVE Sales	186,559,148		189,029,282	(1.8)	7,947,880		8,016,764		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)		(68,884)	
31. Wholesale IVE Sales	(1,426,419)		(858,419)	(49.1)	(56,104)		(37,218)		(189,195)		(189,195)		(189,195)		(189,195)		(189,195)		(189,195)		(189,195)		(189,195)		(189,195)	
32. Jurisdictional IVE Sales	185,132,729		188,170,863	(2.1)	7,449,699		7,203,742		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957	
33. Jurisdictional Loss Multiplier - 1.0005	0		0		0		0		0		0		0		0		0		0		0		0		0	
34. Jurisdictional IVE Sales Adjusted for Line Losses	185,225,291		188,170,863	(2.1)	7,449,699		7,203,742		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957	
35. GP1P *	(214,059)		(214,059)	0.0	0		0		0		0		0		0		0		0		0		0		0	
36. Free-up †	12,689,115		4,802,672	(62.3)	8,886,443		7,203,742		1,682,701		1,682,701		1,682,701		1,682,701		1,682,701		1,682,701		1,682,701		1,682,701		1,682,701	
37. Total Jurisdictional Fuel Cost	198,209,353		166,791,377	(16.3)	7,449,699		7,203,742		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957	
38. Revenue Tax Factor	0		0		0		0		0		0		0		0		0		0		0		0		0	
39. Fuel Cost Adjusted for Taxes	198,209,353		166,791,377	(16.3)	7,449,699		7,203,742		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957		245,957	
40. Fuel PAC Rounded to the Nearest .001 cents per IVE	0		0		0		0		0		0		0		0		0		0		0		0		0	

* Based on Jurisdictional Sales (a) included for informational purposes only

COMPARISON OF ESTIMATED AND ACTUAL FUEL AND PURCHASED POWER COST RECOVERY FACTOR PERIOD TO DATE THROUGH: MARCH, 1995

cents/kWh

NVE

	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT
1. Fuel Cost of System Rel. Generation (AS)	176,290,801	160,682,993	15,607,808	9.7	8,007,968	7,193,453	814,515	11.3	2,20164	2,23374	(3,210)
2. Spent Nuclear Fuel Disposal Cost	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
3. Coal Car Treatment	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
4. Adjustments to Fuel Cost (A2, PG1)	(19,866)	0	(19,866)	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
5. Adjustments to Fuel Cost (A2, PG1) (Allowances)	662,268	0	662,268	0.0	8,007,968 (a)	7,193,453 (a)	814,515	11.3	(8,00024)	0.00000	(8,00024)
6. TOTAL COST OF GENERATED POWER	176,270,935	160,682,993	15,587,942	10.1	8,007,968	7,193,453	814,515	11.3	2,20818	2,23374	(2,556)
7. Fuel Cost of Purchased Power - Firm (AS)	1,589,159	1,564,400	24,759	1.6	45,591	31,785	13,806	31.1	3,48569	4,07734	(6,264)
8. Energy Cost of Sch. C, Economy Purchases (Broker) (AS)	422,186	162,900	259,286	159.5	14,228	6,366	7,862	123.5	2,97151	2,52891	4,260
9. Energy Cost of Other Economy Purchases (Non-Broker) (AS)	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
10. Energy Cost of Sch. E Economy Purchases (AS)	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
11. Capacity Cost of Sch. E Economy Purchases	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
12. Payments to Qualifying Facilities (AMA)	3,247,810	4,642,500	(1,394,690)	(30.1)	221,695	219,642	2,053	0.9	1,46163	1,66919	(2,056)
13. TOTAL COST OF PURCHASED POWER	5,259,955	6,369,900	(1,109,945)	(17.4)	287,514	320,793	(33,279)	(10.2)	1,88810	1,93567	(4,757)
14. TOTAL AVAILABLE NVE (LINE 5 + LINE 12)	17,416,768	7,656,200	9,760,568	127.5	8,295,482	7,514,246	781,236	10.3	1,39185	1,6324	(2,243)
15. Gain on Economy Sales - 88% (A1A)	3,206,494	1,015,520	2,190,974	215.6	1,251,517	488,199	763,318	157.3	0,26420	0,21690	0,04730
16. Fuel Cost of Sch. B Separ. Sales (AT)	2,480,882	2,384,700	96,182	4.0	188,216	209,467	(21,251)	(10.1)	1,31761	1,42971	(11,210)
17. Fuel Cost of Sch. B Jurisd. Sales (AT)	338,314	388,700	(50,386)	(15.8)	23,144	24,144	(1,000)	(4.2)	1,42845	1,6892	(2,247)
18. Fuel Cost of Sch. C Jurisd. Sales (AT)	0	0	0	0.0	0	0	0	0.0	0.00000	0.00000	0.00000
19. Fuel Cost of Sch. J Jurisd. Sales (AT)	188,900	0	188,900	(100.0)	65,748	45,748	20,000	43.7	0,00000	1,2415	(1,2415)
20. Fuel Cost of BPP Sch. D Separ. Sales (AT)	135,129	1,485,200	(1,350,071)	(90.5)	71,714	71,714	0	0.0	2,15782	1,97970	1,792
21. Fuel Cost of Other Power Sales (AT)	6,348	0	6,348	0.0	56	0	56	0.0	1,76429	0.00000	1,76429
22. TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17 + 18 + 19 + 20 + 21)	23,673,936	14,270,220	9,403,716	65.9	1,469,245	819,287	649,958	79.3	1,61120	1,70176	(9,13046)
23. Net Inadvertent Interchange (A10)	0	0	0	0.0	63	0	63	0.0	0	0	0
24. Wheeling Rec'd. less Wheeling Del'd.	1,481	0	1,481	0.0	1,481	0	1,481	0.0	0	0	0
25. Interchange and Wheeling Losses	26,741	12,865	13,876	107.9	12,865	12,865	0	0.0	0	0	0
26. TOTAL FUEL AND NET POWER TRANSACTIONS (LINE 22 + 23 + 24 + 25)	18,519,222	152,782,679	(134,263,457)	(725.0)	6,795,043	6,682,084	112,959	1.7	2,32287	2,28615	3,672
27. Net Unbilled (A1)	(2,360,095)	(2,983,405)	623,310	(20.9)	(101,167)	(130,482)	29,315	(22.5)	(9,0385)	(9,0489)	9,0504
28. Company Use (A4)	389,032	370,405	18,627	5.0	15,836	16,200	(364)	(2.2)	0,06561	0,06572	(0,00011)
29. T & D Losses (A1)	6,920,762	7,289,820	(369,058)	(5.1)	286,663	318,827	(32,164)	(10.0)	0,10512	0,11954	(0,00042)
30. System NVE Sales	158,519,222	152,782,679	5,736,543	3.8	6,583,711	6,477,539	106,172	1.6	2,40715	2,35865	4,850
31. Wholesale NVE Sales	(287,261)	(107,945)	(179,316)	162.2	(11,113)	(4,305)	(6,808)	158.1	2,40495	2,36806	3,689
32. Jurisdictional NVE Sales	158,231,955	152,674,734	5,557,221	3.6	6,572,598	6,473,234	99,364	1.5	2,40775	2,35865	4,910
33. Jurisdictional Loss Multiplier - 1.0095											
34. Jurisdictional NVE Sales Adjusted for Line Losses	158,317,099	152,757,074	5,560,025	3.6	6,572,598	6,473,234	99,364	1.5	2,40874	2,35865	5,009
35. GPFF *	106,965	405,465	(298,500)	(27.9)	0	0	0	0.0	0,00000	0,00000	0,00000
36. True up †	(952,181)	(952,181)	0	0.0	0	0	0	0.0	(9,01449)	(9,01471)	2,022
37. Total Jurisdictional Fuel Cost	157,771,023	152,210,598	5,560,425	3.7	6,572,598	6,473,234	99,364	1.5	2,40944	2,35139	5,805
38. Revenue Tax Factor									1,00883	1,00883	0.00000
39. Fuel Cost Adjusted for Taxes									2,40942	2,35134	5,808
40. Fuel Cost Rounded to the Nearest .001 cents per kWh									2,402	2,353	4,909

* Based on Jurisdictional Sales (a) included for informational purposes only

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

June 21, 1995

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

Dear Ms. Hathorne:

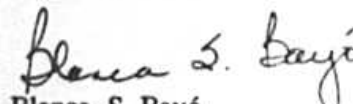
RE: Docket No. 950001-EI - Tampa Electric Company
Fuel Adjustment Clause Recovery Audit Report - Period Ending March 31, 1995
Audit Control # 94-279-2-2

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.

The Division of Records and Reporting is holding the workpapers for which you requested confidential treatment. You have 21 days from the audit exit conference, or July 6, 1995 to file a formal request for Confidential Classification with the Division of Records and Reporting.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayo

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