

MEMORANDUM

December 5, 1995

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 950002-EG -- FLORIDA POWER CORPORATION
CONSERVATION AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1995
AUDIT CONTROL NO. 95-242-2-1

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:

Florida Power Corporation
James P. Fama
P. O. Box 14042
St. Petersburg, FL 33733-4042

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
12158 DEC-6 95
FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

12 MONTHS ENDED SEPTEMBER 30, 1995

FIELD WORK COMPLETED

NOVEMBER 27, 1995

FLORIDA POWER CORPORATION

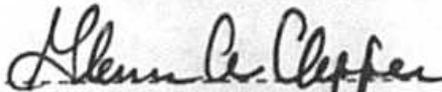
ST PETERSBURG, FLORIDA

PINELLAS COUNTY

ENERGY CONSERVATION AUDIT

DOCKET NUMBER 950002-EG

AUDIT CONTROL NUMBER 95-242-2-1



GLENN A. CLEPPER
AUDIT MANAGER



ANN BOUCKAERT
PUBLIC UTILITIES SUPERVISOR

DOCUMENT NUMBER-DATE

12158 DEC-68

FPSC-RECORDS/REPORTING

FILED IN 10-20-95
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10-20-95

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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) schedules CT-2, p. 1 of 3, for the six month periods ended 3/31/95 and 9/30/95, prepared by Florida Power Corporation for Energy Conservation Cost Recovery, FPSC Docket Number 950002-EG.

Scope Limitation: The audit exit conference was waived by the utility. The utility has not requested confidential treatment for any records or documents provided to the auditor. The last day of field work was November 27, 1995.

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 reported in the appended ECCR schedules CT-2, p. 1 of 3, filed by Florida Power Corporation for the six month periods ended March 31, 1995 and September 30, 1995 in support of Docket Number 950002-EG represent utility 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.

ECCR Program Expenses: Compiled ECCR program expenses.

Performed analytical review for ECCR expenses (six months ended 3/31/95) as part of determining the level of audit risk and as a means of identifying any areas of audit investigation not previously anticipated.

Obtained, verified, and determined expenditures associated with Docket No. 930549-EG since inception by month. Traced selected costs to recorded accounts and verified that no costs related to the docket were included in the ECCR clause. Reviewed conservation expenses to determine that they were not related to Dkt. No. 930549-EG.

Florida Power agreed to assist the Pinellas County School Board in pursuing cost-saving opportunities and provided an employee to coordinate the energy management function. Auditor determined that no costs related to the project were included in FPC's ECCR clause. Acquired project cost information and traced costs to account activity.

Florida Power prepared a brochure regarding electricity and energy-efficient homes. Auditor determined what costs were related to the preparation and distribution of the information, specifically who the information was sent to and where the costs were recorded. Costs were traced to accounts.

ECCR Revenues: Tested utility calculation of ECCR revenues. Verified that utility is using rates approved by FPSC. Reconciled ECCR program revenues to the general ledger.

ECCR True-up: Recalculated true-up balances.

Other: Ascertained that the utility is in compliance with FPSC Rule 25-17.015. Auditor requested the Company provide any accounting and/or data processing changes which had been instituted since the previous ECCR audit, and analyzed the Company response.

FLORIDA POWER CORPORATION

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS. ESTIMATED
 FOR THE PERIOD OCTOBER, 1994 THROUGH MARCH, 1995

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	\$6,295,393	\$6,204,006	\$91,387
2	PAYROLL AND BENEFITS	3,158,364	3,549,998	(391,634)
3	MATERIALS AND SUPPLIES	175,457	132,125	43,332
4	OUTSIDE SERVICES	1,200,692	2,063,229	(862,537)
5	ADVERTISING	34,792	47,666	(12,874)
6	INCENTIVES	39,249,216	39,160,316	88,900
7	VEHICLES	147,782	167,198	(19,416)
8	OTHER	3,332,772	3,162,954	169,818
9	PROGRAM REVENUES	(34)	(1,817)	1,783

10	TOTAL PROGRAM COSTS	\$53,594,434	\$54,485,675	(\$891,241)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	46,436,757	47,111,652	(674,895)
13	PRIOR TRUE-UP ADJUSTMENT	9,528,276	9,528,276	0

14	TRUE-UP BEFORE INTEREST	(2,370,599)	(2,154,253)	(216,346)
15	INTEREST PROVISION	(168,435)	(166,788)	(1,647)

16	END OF PERIOD TRUE-UP	(\$2,539,034)	(\$2,321,041)	(\$217,993)
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() REFLECTS OVERRECOVERY

FLORIDA POWER CORPORATION

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS. ESTIMATED
 FOR THE PERIOD APRIL, 1995 THROUGH SEPTEMBER, 1995

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	\$6,472,215	\$5,919,080	\$553,135
2	PAYROLL AND BENEFITS	3,156,586	3,711,246	(554,660)
3	MATERIALS AND SUPPLIES	70,483	133,662	(63,179)
4	OUTSIDE SERVICES	1,463,218	6,559,920	(5,096,702)
5	ADVERTISING	64,772	216,504	(151,732)
6	INCENTIVES	27,101,186	26,091,732	1,009,454
7	VEHICLES	136,948	166,938	(29,990)
8	OTHER	839,790	758,652	81,138
9	PROGRAM REVENUES	(25)	(1,812)	1,787

10	TOTAL PROGRAM COSTS	\$39,305,173	\$43,555,922	(\$4,250,749)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	45,511,292	43,721,027	1,790,265
13	PRIOR TRUE-UP ADJUSTMENT	2,539,034	2,321,041	217,993

13	AUDIT ADJUSTMENT	(156,578)	(156,578)	
14	TRUE-UP BEFORE INTEREST	(8,745,153)	(2,486,146)	(6,259,007)
15	INTEREST PROVISION	(142,622)	0	(142,622)

16	END OF PERIOD TRUE-UP	(\$9,044,353)	(\$2,642,724)	(\$6,401,629)
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() REFLECTS OVERRECOVERY

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 6, 1995

Florida Power Corporation
Attn: James P. Fama
Post Office Box 14042
St. Petersburg, Florida 33733-4042

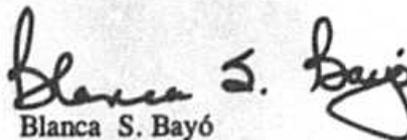
Dear Mr. Fama:

RE: Docket No. 950002-EG -- Florida Power Corporation
Conservation Audit Report - Period Ended September 30, 1995
Audit Control #95-242-2-1

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