

MEMORANDUM

June 19, 1996

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 960001-EI -- TAMPA ELECTRIC COMPANY
OIL BACKOUT COST RECOVERY AUDIT REPORT - PERIOD ENDED DECEMBER 31, 1995
AUDIT CONTROL NO. 95-298-2-5

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
Angela Llewellyn
702 North Franklin Street
Tampa, Florida 33602-4418

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)

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER-DATE
06625 JUN 20 96
FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

9 MONTHS ENDED DECEMBER 31, 1995

Field Work Completed

May 16, 1996

TAMPA ELECTRIC COMPANY, Inc.

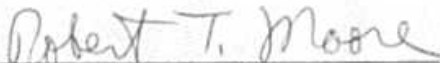
Tampa, Florida

Hillsborough County

Oil Backout Cost Recovery Audit

Docket 960001-EI

Audit Control Number 95-298-2-5



Robert T. Moore
Audit Manager



Ann Bouckaert
Public Utilities Supervisor
Tampa District Office

INDEX

I. Executive Summary	Page
Audit Purpose.....	1
Disclaim Public Use.....	1
Opinion.....	1
II. Audit Scope	
Scope of Work Performed	2
Plant in Service	2
Expense	2
Revenue	2
True-Up	2
Other	2
III. Exhibits	
1. Final True-up, 6 months ended December, 1995.....	3
2. Final True-up, 3 months ended September, 1995.....	5

I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to audit the appended Oil Backout Cost Recovery True-up Schedules prepared by Tampa Electric Company in support of Docket No. 950001-EI for the 6 month period ended September 30, 1995 and for the 3 month period ended December 31, 1995.

SCOPE LIMITATION: There are no confidential workpapers associated with this report. The last day of field work was May 16, 1996.

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 Company exhibits for Oil Backout Cost Recovery True-up for the 6 month period ended September 30, 1995 and for the 3 month period ended December 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.

PLANT IN SERVICE: Compiled plant in service and accumulated depreciation. Recalculated depreciation. Recomputed the amortization of Equity AFUDC and ITC.

EXPENSES: Compiled Oil Backout (OBO) costs. Compiled Taxes Other Than Income. Recalculated OBO income taxes. Recalculated O&M Differential Factor. Recalculated interest on the OBO debt.

REVENUE: Compiled Oil Backout Cost Recovery (OBO CR) revenue. Recomputed OBO CR Revenues. Compared computed revenue to billed revenue.

TRUE-UP: Compiled OBO CR true-up. Recomputed OBO CR true-up.

OTHER: Performed analytical review on O&M Differential costs. Recomputed fuel cost savings.

TAMPA ELECTRIC COMPANY
OIL BACKOUT TRUE-UP COMPUTATION

April 1995 through September 1995

Line No.	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Total
1. Oil-Backout Cost Recovery Revenue (Net of Revenue Taxes)	\$840,568	\$1,007,784	\$1,109,036	\$1,119,184	\$1,088,144	\$1,139,233	\$6,303,949
2. Adjustment not Applicable to this period (Prior true-up)	25,523	25,523	25,523	25,523	25,523	25,523	153,138
3. Oil-Backout Revenue Applicable to this period (Line 1 + 2)	866,091	1,033,307	1,134,559	1,144,707	1,113,667	1,164,756	6,457,087
4. Jurisdictional Oil-Backout Cost Recovery Authorized (Document 5, Line 14)	(928,592)	(944,032)	(1,241,916)	(697,131)	(1,074,764)	(1,058,995)	(5,945,432)
5. True-up Provision for the Month Over(Under) Collection (Line 3 + 4)	(62,508)	89,275	(107,357)	447,576	38,903	105,761	511,650
6. True-up and Interest Provision for the Month Beginning of the Month	375,548	289,201	354,578	223,159	647,374	663,946	375,548
7. True-up Collected/(Refunded)	(25,523)	(25,523)	(25,523)	(25,523)	(25,523)	(25,523)	(153,138)
8. End of the Period Net True-up Before Interest (Line 5 + 6 + 7)	287,517	352,953	221,698	645,212	660,754	744,184	734,060
9. Interest Provision for the Month Interest (Document 6, Line 10)	1,684	1,625	1,461	2,162	3,192	3,457	13,581
10. End of the Period Net True-up Over/(Under) Recovery (Line 8 + 9)	\$289,201	\$354,578	\$223,159	\$647,374	\$663,946	\$747,641	\$747,641

TAMPA ELECTRIC COMPANY
CALCULATION OF OIL BACKOUT INTEREST PROVISION

April 1995 through September 1995

Line No.		Actual April	Actual May	Actual June	Actual July	Actual August	Actual September		
1.	Beginning True-up Amount	Document 4, Line 6	\$375,548	\$289,201	\$354,578	\$223,159	\$647,374	\$663,946	
2.	Ending True-up Amount Before Interest	Document 4, Line 8	287,517	352,953	221,698	645,212	660,754	744,184	
3.	Total True-up Amount	Lines 1 + 2	\$663,065	\$642,154	\$576,276	\$868,371	\$1,308,128	\$1,408,130	
4.	Average True-up Amount	Line 3 / 2	\$331,533	\$321,077	\$288,138	\$434,186	\$654,064	\$704,065	
5.	Interest Rate - First Day of Month		6.120%	6.070%	6.070%	6.100%	5.860%	5.840%	
6.	Interest Rate - First Day of Subsequent Month		6.07%	6.07%	6.10%	5.86%	5.84%	5.94%	
7.	Total Beginning and Ending Interest Rate	Lines 5 + 6	<u>12.190%</u>	<u>12.140%</u>	<u>12.170%</u>	<u>11.960%</u>	<u>11.700%</u>	<u>11.780%</u>	
8.	Average Interest Rate	Line 7 / 2	<u>6.095%</u>	<u>6.070%</u>	<u>6.085%</u>	<u>5.980%</u>	<u>5.850%</u>	<u>5.890%</u>	
9.	Monthly Average Interest Rate	Line 8 / 12	<u>0.508%</u>	<u>0.506%</u>	<u>0.507%</u>	<u>0.498%</u>	<u>0.488%</u>	<u>0.491%</u>	
10.	Monthly Interest Provision	Line 4 x Line 9	\$1,684	\$1,625	\$1,461	\$2,162	\$3,192	\$3,457	13,581

TAMPA ELECTRIC COMPANY
OIL BACKOUT TRUE-UP COMPUTATION

October 1995 through December 1995

Line No.	Actual October	Actual November	Actual December	Total
1. Oil-Backout Cost Recovery Revenue (Net of Revenue Taxes)	\$772,036	\$657,986	\$625,967	\$2,055,989
2. Adjustment not Applicable to this period (Prior true-up)	303,084	303,084	303,085	909,253
3. Oil-Backout Revenue Applicable to this period (Line 1 + 2)	1,075,120	961,070	929,052	2,965,242
4. Jurisdictional Oil-Backout Cost Recovery Authorized (Document 5, Line 14)	(1,050,859)	(936,851)	(1,005,147)	(2,992,856)
5. True-up Provision for the Month Over(Under) Collection (Line 3 + 4)	24,262	24,219	(76,095)	(27,614)
6. True-up and Interest Provision for the Month Beginning of the Month	747,641	471,799	194,543	747,641
7. True-up Collected/(Refunded)	(303,084)	(303,084)	(303,085)	(909,253)
8. End of the Period Net True-up Before Interest (Line 5 + 6 + 7)	468,819	192,934	(184,637)	(189,226)
9. Interest Provision for the Month Interest (Document 6, Line 10)	2,980	1,609	24	4,613
10. End of the Period Net True-up Over/(Under) Recovery (Line 8 + 9)	\$471,799	\$194,543	(\$184,613)	(\$184,613)

Any subsequent adjustments occurring in the period January through March, 1996, will be incorporated into the final true-up included in the Fuel Adjustment Clause.

TAMPA ELECTRIC COMPANY

CALCULATION OF OIL BACKOUT INTEREST PROVISION

October 1995 through December 1995

Lme No.		Actual October	Actual November	Actual December		
1.	Beginning True-up Amount	Document 4, Line 6	\$747,641	\$471,799	\$194,543	
2.	Ending True-up Amount Before Interest	Document 4, Line 8	468,819	192,934	(184,637)	
3.	Total True-up Amount	Lines 1 + 2	\$1,216,460	\$664,733	\$9,906	
4.	Average True-up Amount	Line 3 / 2	\$608,230	\$332,367	\$4,953	
5.	Interest Rate - First Day of Month		5.940%	5.810%	5.800%	
6.	Interest Rate - First Day of Subsequent Month		5.81%	5.80%	5.81%	
7.	Total Beginning and Ending Interest Rate	Lines 5 + 6	11.750%	11.610%	11.610%	
8.	Average Interest Rate	Line 7 / 2	5.875%	5.805%	5.805%	
9.	Monthly Average Interest Rate	Line 8 / 12	0.490%	0.484%	0.483%	
10.	Monthly Interest Provision	Line 4 x Line 9	\$2,980	\$1,609	\$24	4,613

COMPANY INFORMATION

AS OF 06/19/1996

Tampa Electric Company (E1806)

Location address

Tampa Electric Company
702 North Franklin Street
Tampa, FL 33602-4418

Company liaison(s)

Angela Llewellyn, Regulatory Specialist, (813) 228-1752
Lee L. Willis, Attorney, (904) 224-9115

FAX number(s)

(813) 228-1770

Regulation date

01/01/1901

Corporate type

Corporation

Services provided

ELE

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, 1996

Angela Llewellyn
Tampa Electric Company
Post Office Box 111
Tampa, Florida 33601-0111

RE: Docket No. 960001-EI -- Tampa Electric Company
Oil Backout Cost Recovery Audit Report - Period Ended December 31, 1995
Audit Control #95-298-2-5

Dear Ms. Llewellyn:

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
Ausley Law Firm