

MEMORANDUM

August 15, 1996

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 960002-EG -- GULF POWER COMPANY
CONSERVATION AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1995
AUDIT CONTROL NO. 96-074-1-1

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:

Gulf Power Company
Warren E. Tate
P. O. Box 13470
Pensacola, FL 32591-3470

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 (Colson)
Tallahassee District Office

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

YEAR ENDED SEPTEMBER 30, 1995

FIELD WORK COMPLETED

AUGUST 1, 1996

GULF POWER COMPANY

PENSACOLA, FLORIDA

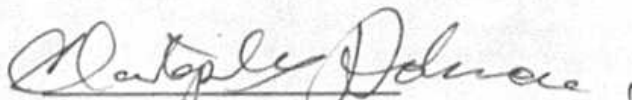
ESCAMBIA COUNTY

BAY COUNTY

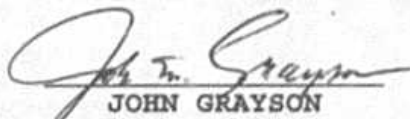
CONSERVATION AUDIT

DOCKET NUMBER 960002-EG

AUDIT CONTROL NUMBER 96-074-1-1



CHRISTOPHER HOLMAN
AUDIT MANAGER



JOHN GRAYSON
FIELD AUDIT SUPERVISOR
TALLAHASSEE DISTRICT OFFICE

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I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this Report in order to perform a supplemental audit of Exhibits that were refiled by Gulf Power Company in support of Docket No. 960002-EG for the twelve months ending September 30, 1995, to determine that the exhibits represent the utility's books and records are maintained in compliance with Commission directives and that facts which may influence the Commission's decision process are disclosed.

SCOPE LIMITATION: There are no confidential working papers associated with this audit.

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 calculation of true-up and interest exhibits for the twelve months ended September 30, 1995, represent utility books and records maintained in substantial compliance with Commission directives.

SUMMARY FINDINGS: The Company has refiled its Exhibits using actual amounts for the twelve months ending September 30, 1995.

II. AUDIT SCOPE

The opinions in this report are based on the audit work described below. When used in this report,

COMPILED means that the audit staff reconciled exhibit amounts with the general ledger; visually scanned accounts for errors of inconsistency; disclosed any unresolved error, irregularity, or inconsistency; and except as noted performed no other audit work.

CONSERVATION REVENUES: Conservation revenues were compiled as part of the Company's fuel audit.

CONSERVATION EXPENSES: Compiled all expenses including advertising; read supporting documents on a judgmental basis; listed expenses by type, and by program for the test period; judgmentally selected and read documents supporting conservation expenses; visited field offices in Pensacola and Panama City.

OTHER: Reconciled Company filed CT schedules to the Company summary "Monthly Report" forms; reviewed time planners, payroll reports, and time sheets of the Pensacola and Panama City field office personnel.

GULF POWER COMPANY
ENERGY CONSERVATION ADJUSTMENT
 For the Period: October, 1994 through September, 1995

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
Conservation Revenue													
1. a. Residential Conservation Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. (Other Fees)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conservation Adjustment Revenues	162,846.71	144,267.16	174,619.07	165,668.66	160,444.62	168,917.91	163,366.63	200,191.11	206,694.69	262,012.66	238,361.69	204,166.29	2,160,227.69
3. Total Revenues	162,846.71	144,267.16	174,619.07	165,668.66	160,444.62	168,917.91	163,366.63	200,191.11	206,694.69	262,012.66	238,361.69	204,166.29	2,160,227.69
4. Adjustment not Applicable to Period - Prior True Up	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	11,391.11	(4,894.48)	(4,894.48)	(4,894.48)	(4,894.48)	(4,894.48)	(4,894.48)	39,379.79
5. Conservation Revenues Applicable to Period	174,237.62	166,566.29	186,010.16	176,998.69	161,806.13	168,269.92	148,392.15	195,196.63	200,804.21	227,018.47	228,567.21	199,166.72	2,214,607.67
6. Conservation Expenses (Form CT-3 Page 5)	160,691.69	216,661.12	208,666.74	168,301.01	168,669.09	228,664.62	177,262.39	204,762.39	214,637.99	227,466.16	167,641.69	168,666.66	2,368,666.64
7. True Up (See Form 5, Line 5 minus Line 6)	(6,643.74)	(68,292.69)	(20,676.58)	(12,341.32)	(6,863.69)	(60,736.70)	(28,870.24)	(11,565.76)	(13,833.78)	(67.71)	61,326.29	30,666.77	(180,346.27)
8. Interest Provision (See Form 10, Line 10)	373.66	162.79	(46.08)	(161.69)	(346.27)	(617.77)	(663.79)	(636.79)	(666.09)	(663.72)	(764.48)	(664.69)	(6,793.69)
9. True Up & Interest Provision Beginning of Month	66,366.00	66,724.69	6,262.79	(26,664.69)	(46,679.09)	(66,769.37)	(167,663.66)	(162,269.39)	(168,630.42)	(169,664.69)	(169,121.69)	(130,666.29)	66,366.00
10. Prior True Up Collected or Refunded	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	(11,391.11)	4,894.48	4,894.48	4,894.48	4,894.48	4,894.48	4,894.48	(66,379.79)
End of Period- Net True Up	66,724.69	6,262.79	(20,664.67)	(46,679.09)	(66,769.37)	(167,663.66)	(162,269.39)	(168,630.42)	(169,664.69)	(169,121.69)	(130,666.29)	(66,379.79)	(66,379.79)

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

August 20, 1996

Warren E. Tate
Gulf Power Company
Post Office Box 13470
Pensacola, Florida 32591-3470

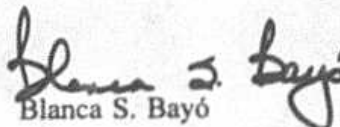
RE: Docket No. 960002-EG -- Gulf Power Company
Conservation Audit Report - Period Ended September 30, 1995
Audit Control #96-074-1-1

Dear Mr. Tate:

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
Beggs & Lane Law Firm