

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 1996

FIELD WORK COMPLETED

JULY 3, 1997

TAMPA ELECTRIC COMPANY

TAMPA, FLORIDA

HILLSBOUROUGH COUNTY

SURVEILLANCE REPORT REVIEW

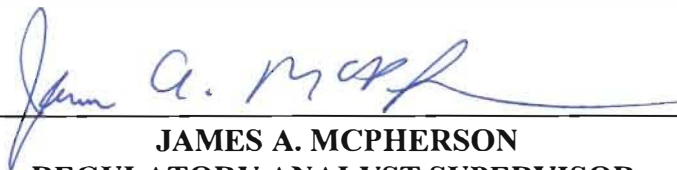
SUPPLEMENTAL AUDIT

DOCKET NUMBER 950379 - EI

AUDIT CONTROL NUMBER 97 - 056 - 2 - 1



**S. RONALD MAYES
AUDIT MANAGER**



**JAMES A. MCPHERSON
REGULATORY ANALYST SUPERVISOR
TAMPA DISTRICT OFFICE**

DOCUMENT NUMBER - DATE

07648 JUL 29 97

FPSC-RECORDS/REPORTING

I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to reconcile the capital structure as shown on the monthly Surveillance Report, as filed with the Commission, to the annual 10K Report, as filed with the Securities and Exchange Commission, (SEC), for the year ended December 31, 1996.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied on for any purpose except to assist the Commission staff in the performance of their duties and responsibilities. Substantial additional work would have to be performed to satisfy generally accepted audit standards and produce audited financial statements for public use.

OPINION: Subject to the Audit Disclosure contained in this report, the Surveillance and 10K reports represent utility books and records which are maintained in substantial compliance with Commission Directives. The expressed opinions extend only to the scope of work described in Section II of this report.

SUMMARY FINDINGS:

None

II. AUDIT SCOPE

The opinions contained in this report are based on the audit work described below.

COMPILED: 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.

Compiled the capital structure sections of the SEC 10K Report and the FPSC Surveillance Report.

Investigated variances between the 10K Report and the Surveillance Report.

Reviewed specific adjustments to the surveillance reports.

AUDIT DISCLOSURE NUMBER 1

SUBJECT: Comparison of 10K Report to Surveillance Report.

STATEMENT OF FACTS:

The 10K Report filed with the SEC and the Surveillance Report filed with the Commission are per book amounts as of December 1996. Certain accounts are reflected in categories other than those on the books for both outside and Commission reporting purposes.

The purpose of the Surveillance report is to report rate of return data to the Commission. Per book amounts have been adjusted to conform to Commission instructions. This results in several variations between the 10K Report and the Surveillance Report. These are shown below.

ITEM	SURVEILLANCE	10K (1)	VARIANCE
Long Term Debt	\$644,718,678	\$ 661,102,809	(\$16,384,131)
Short Term Debt	97,027,052	98,600,000	(1,572,948)
Deferred Income Taxes	292,353,146	359,497,111	(67,143,965)

(1) The 10K Report as filed rounds these amounts to the nearest hundred thousand.

The reasons for the above variances are:

Long term debt: Unamortized debt expense and unamortized loss on bonds in the amounts of \$7,491,142 and \$9,937,989 are included on the Surveillance Report. The 10K Report includes these amounts in the Deferred Debits classification as Unamortized debt expense.

The current portion of long term debt, \$1,045,000 is included in the Surveillance Report. The 10K Reports included it in Current Liabilities in the Long term debt due within one year category.

Short term debt: The Surveillance Report includes \$1,572,948 of prepaid interest for commercial paper. The 10K Report includes this under Current Assets in the Prepayments category.

Deferred income taxes: The Surveillance Report includes the deferred income tax assets of \$102,914,400 less the accumulated deferred income taxes for FAS109, \$32,622,412. The 10K Report includes the deferred tax assets of \$102,914,400 under Deferred Debits. The Surveillance Report also does not include the investment tax credits, \$1,933,677 and deferred income taxes, \$1,214,347, associated with FAS 109. The 10K Report includes these amounts with the deferred income taxes under Deferred Credits.

STATE OF FLORIDA

Commissioners:
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DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

July 29, 1997

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

Re: Docket No. 950379-EI -- Tampa Electric Company
Supplemental Surveillance Audit Report - Period Ended December 31, 1995
Audit Control # 96-060-2-1

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. Bayó

BSB/DNV/cls

Enclosure

cc: Public Counsel
Ausley Law Firm