

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER



DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
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Public Service Commission

June 14, 2000

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RECORDS AND REPORTING

Mr. James A. McGee, Esquire
Florida Power Corporation
P. O. Box 14042
St. Petersburg, FL 33733-4042

**Re: Docket No. 000002-EG; Florida Power Corporation
Audit Report; Conservation - Twelve-month Period Ended December 31, 1999
Audit Control No. 00-047-2-1**

Mr. McGee:

The enclosed audit report is forwarded for your review. If you desire to file a response to the audit, please file one with the Division of Records and Reporting so it may be forwarded for consideration by the staff analysts in their review of the audit.

Sincerely,

Denise N. Vandiver
Bureau of Auditing Services

APP _____ DNV:sp
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- Division of Records and Reporting
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- Tampa District Office (McPherson)
- Division of Legal Services
- Office of Public Counsel

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PPSC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING SERVICES*

TAMPA DISTRICT OFFICE

FLORIDA POWER CORPORATION

ENERGY CONSERVATION COST RECOVERY AUDIT

TWELVE MONTH PERIOD ENDED DECEMBER 31, 1999

**Docket No. 000002-EG
Audit Control Number 00-047-2-1**

A handwritten signature in cursive script, appearing to read "Simon O. Ojada", written over a horizontal line.

**Simon O. Ojada
Audit Manager**

A handwritten signature in cursive script, appearing to read "James A. McPherson", written over a horizontal line.

**James A. McPherson
Tampa District Supervisor**

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**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

MAY 22, 2000

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the Energy Conservation Cost Recovery (ECCR) schedules for the twelve month period ended December 31, 1999 prepared by Florida Power Corporation in support of Docket No. 000002-EG. There is no confidential information associated with this audit and there are no audit staff minority opinions.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should 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.

SUMMARY OF SIGNIFICANT PROCEDURES:

Our audit was performed by examining on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Verify - The item was tested for accuracy, and substantiating documentation was examined.

REVENUES: Compiled Energy Conservation Cost Recovery (ECCR) revenue and agreed to the filing. Recomputed revenues using approved FPSC rate factors and company provided KWH sales.

EXPENSES: Compiled ECCR expenses and agreed to the filing. Scheduled expenses by program and by categories of expense. Judgmentally tested advertising charges to verify that they were properly recoverable through the ECCR and that they did not compare electric vs. gas technologies. Verified that expenditures associated with the Better Business and Home Energy Improvement programs were in compliance with program requirements.

TRUE-UP: Recomputed ECCR true-up and interest calculation using FPSC approved amounts and interest rates.

Other: Ascertained that the utility is in compliance with Rule 25-17.015, F.A.C., pertaining to Energy Conservation Cost Recovery. Identified conservation programs that exceeded the budgeted amount and analyzed expenditures for compliance with program requirements.

FLORIDA POWER CORPORATION

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 1999 THROUGH DECEMBER 1999

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	25,126	0	0	0	196,221	1,997	100	223,444	0	223,444
2	GAS DEMONSTRATION	0	0	0	0	0	0	0	0	0	0	0
3	RESIDENTIAL NEW CONSTRUCTION	0	343,507	7,930	17,008	40,081	154,400	20,245	39,666	622,817	0	622,817
4	HOME ENERGY IMPROVEMENT	0	415,796	4,259	83,806	263,954	2,642,837	19,415	39,784	3,469,851	(730)	3,469,121
5	COMM / IND NEW CONSTRUCTION	0	220	0	0	0	0	8	112	340	0	340
6	HOME ENERGY CHECK	6,030	1,385,655	43,674	273,858	300,181	0	92,368	107,702	2,209,448	5,436	2,214,884
7	LOW INCOME	0	0	0	0	0	0	0	0	0	0	0
8	BUSINESS ENERGY CHECK	0	118,377	126	901	0	0	8,995	6,807	135,206	0	135,206
9	QUALIFYING FACILITY	3,285	331,084	2,014	8,133	0	0	1,692	57,108	403,316	0	403,316
10	INNOVATION INCENTIVE	0	0	0	0	0	0	30	0	30	0	30
11	TECHNOLOGY DEVELOPMENT	0	18,008	3,771	92,261	0	5,521	845	6,499	126,905	0	126,905
12	STANDBY GENERATION	0	16,259	13,302	4,240	0	323,557	1,150	6,336	364,844	0	364,844
13	INTERRUPT LOAD MANAGEMENT	0	22,236	12,127	6,572	0	19,982,084	1,137	27,018	20,051,174	0	20,051,174
14	CURTAIL LOAD MANAGEMENT	0	0	0	0	0	597,255	0	34	597,289	0	597,289
15	RESIDENTIAL LOAD MANAGEMENT	4,138,858	1,445,192	116,746	2,308,707	70,472	28,456,106	78,542	479,821	37,092,444	0	37,092,444
16	COMMERCIAL LOAD MANAGEMENT	0	13,984	0	4,532	0	679,911	90	3,783	702,300	0	702,300
17	CONSERVATION PROGRAM ADMIN	311,355	786,981	15,820	438,270	0	(425)	11,254	869,299	2,432,554	0	2,432,554
18												
19	TOTAL ALL PROGRAMS	4,457,528	4,922,425	219,769	3,238,288	674,648	53,037,467	237,768	1,644,069	68,431,962	4,706	68,436,668

FLORIDA POWER CORPORATION
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 1999 THROUGH DECEMBER 1999

LINE NO.	JAN 99	FEB 99	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	AUG 99	SEP 99	OCT 99	NOV 99	DEC 99	TOTAL
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0	730	0	0	0	0	730
1C HOME ENERGY CHECK	0	195	(1,858)	63	44	195	(994)	(1,210)	227	(1,050)	(818)	(230)	(5,436)
1D SUBTOTAL - FEES	0	195	(1,858)	63	44	195	(994)	(480)	227	(1,050)	(818)	(230)	(4,706)
2 CONSERVATION CLAUSE REVENUES	6,511,547	5,534,455	5,705,792	6,053,038	6,473,819	7,290,051	8,009,838	9,249,894	8,744,071	7,448,885	6,275,849	5,835,493	83,132,309
2A CURRENT PERIOD GRT REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	6,511,547	5,534,650	5,703,935	6,053,099	6,473,863	7,290,246	8,008,842	9,249,414	8,744,298	7,447,815	6,275,031	5,835,263	83,127,604
4 PRIOR PERIOD TRUE-UP OVER/UNDER (1,359,603)	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	1,622,940
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	6,646,792	5,669,895	5,839,180	6,188,344	6,609,108	7,425,491	8,144,087	9,384,659	8,879,543	7,582,860	6,410,276	5,970,508	84,750,544
6 CONSERVATION EXPENSES (CT-3, PAGE 1)	5,759,480	5,223,478	5,521,247	5,294,783	5,287,782	6,018,498	5,940,183	6,250,195	6,271,298	5,520,460	5,613,185	5,751,397	68,431,982
7 TRUE-UP THIS PERIOD (OJU)	(887,312)	(446,419)	(317,933)	(883,561)	(1,341,128)	(1,406,993)	(2,203,904)	(3,134,464)	(2,808,247)	(2,082,400)	(797,111)	(219,111)	(16,318,582)
8 CURRENT PERIOD INTEREST	3,979	1,835	855	(1,044)	(4,994)	(10,254)	(17,585)	(29,110)	(41,982)	(51,785)	(59,093)	(62,734)	(271,892)
9 ADJUSTMENTS PER AUDIT \ RDC Order	0	0	0	0	0	0	0	0	0	0	0	0	0
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (OJU)	1,359,603	811,514	302,175	120,343	(839,018)	(1,849,893)	(3,131,895)	(5,218,139)	(8,246,487)	(10,781,431)	(12,740,371)	(13,461,331)	1,359,603
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ (COLLECTED)	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	135,245	1,622,940
12 END OF PERIOD NET TRUE-UP	811,514	302,175	120,343	(839,018)	(1,849,893)	(3,131,895)	(5,218,139)	(8,246,487)	(10,781,431)	(12,740,371)	(13,461,331)	(13,607,931)	(13,607,931)

AUDIT CRITIQUE AND EVALUATION (ACE) FORM
DIVISION OF REGULATORY OVERSIGHT ♦ BUREAU OF AUDITING
RETURN TO RGO BEFORE: August 13, 2000

Company Name: FPC

Docket No.: 000002-EG

Audit Control No.: 00-047-2-1 (Ojada)

Analyst Assigned: Colson

Excellent	Satisfactory	Unsatisfactory	Not Applicable
3	2	1	0

AUDIT REPORT

Accuracy of the report

3 2 1 0

Clarity of the report

3 2 1 0

Usefulness of information in report

3 2 1 0

Conclusions in report are supported

3 2 1 0

This audit report included unique features that I would like to see in future audit reports. These features were as follows:

I would have liked to have seen the following in the audit report:

AUDIT WORK PAPERS

The work papers supported the audit conclusions

3 2 1 0

The work papers included accurate information

3 2 1 0

Cross references allowed tracing of audit work

3 2 1 0

Indexing assisted in locating information

3 2 1 0

These audit work papers included unique features that I would like to see in future work papers. These features were as follows:

In support of items in the Audit Service Request and the Audit Manual audit guide, I would have liked to have seen the following in the audit work papers:

AUDIT CRITIQUE AND EVALUATION (ACE) FORM
DIVISION OF REGULATORY OVERSIGHT ♦ BUREAU OF AUDITING
RETURN TO RGO BEFORE: August 13, 2000

Company Name: FPC	Docket No.: 000002-EG
Audit Control No.: 00-047-2-1 (Ojada)	Analyst Assigned: Colson

	Excellent	Satisfactory	Unsatisfactory	Poor
	3	2	1	0
COMMUNICATION AND CONDUCT				
<i>I was satisfied with how often the auditor communicated with me.</i>	3	2	1	0
<i>The information provided by the auditor during the audit process was useful.</i>	3	2	1	0
<i>Conduct & general helpfulness of auditor(s)</i>	3	2	1	0

I appreciated the auditor(s) letting me know the following before the audit was complete:

While reviewing the audit work papers, I discovered the following information which I would have liked to have known about earlier:

OVERALL AUDIT PROCESS				
<i>Extent to which this audit met my needs</i>	3	2	1	0
<i>Fulfillment of scope and objectives</i>	3	2	1	0

OTHER COMMENTS BENEFICIAL TO IMPROVING FUTURE AUDITS OR AUDITOR PERFORMANCE:
Please comment specifically on any unsatisfactory work indicated above.

COMPANY IDENTIFICATION

Printed on 06/14/2000 at 12:15:03 by SAP

Complete Name: Florida Power Corporation

Mailing Name: Florida Power Corporation

Company Code: EI801 FEID Number: 59-0247770

MAILING INFORMATION

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