



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: July 19, 2002
TO: Division of Economic Regulation (Colson)
FROM: Division of Auditing and Safety (Vandiver) *av*
RE: **Docket No.** 020002-EG; **Company Name:** Tampa Electric Company; **Audit Purpose:** Energy Conservation Cost Recovery clause for the period from January 1 - December 31, 2001; **Audit Control No.** 02-064-2-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of the Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV/jcp
Attachment

cc: Division of Auditing and Safety (Hoppe, District Offices, File Folder)
Division of the Commission Clerk and Administrative Services (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

Lee L. Willis, Esq.
Ausley Law Firm
P. O. Box 391
Tallahassee, FL 32302

Ms. Angela Llewellyn, Administrator
Tampa Electric Company
P. O. Box 111
Tampa, FL 33601-0111

DOCUMENT NUMBER - DATE

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FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND SAFETY
BUREAU OF AUDITING*

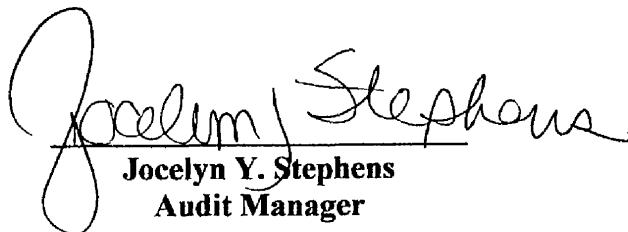
Tampa District Office

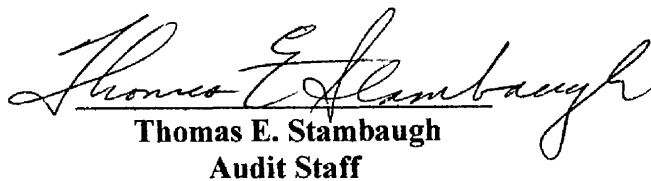
TAMPA ELECTRIC COMPANY

ENERGY CONSERVATION COST RECOVERY AUDIT

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

**Docket Number 020002-EG
Audit Control Number 02-064-2-1**


Jocelyn Y. Stephens
Audit Manager


Thomas E. Stambaugh
Audit Staff

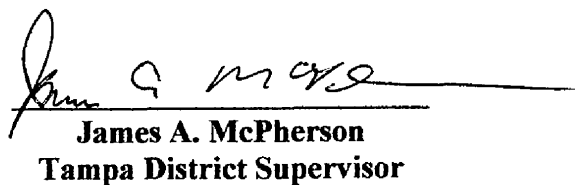

James A. McPherson
Tampa District Supervisor

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**DIVISION OF AUDITING AND SAFETY
AUDITOR'S REPORT**

JULY 3, 2002

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, 2001 prepared by Tampa Electric Company. These schedules were prepared by the utility in support of Docket No. 020002-EG. There is no confidential information associated with this audit.

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. Verified the calculation of Depreciation and Return on Investment for the Prime Time program. Judgementally tested advertising charges to verify that they were properly recoverable through the ECCR and that the Company did not compare electric with gas technologies. Identified conservation programs that exceeded the budgeted amount by 3% and/or \$15,000 or more. Tested incentive payments for the Common Expenses, Commercial Lighting, Duct Repair and Ceiling Insulation programs. Analyzed customer counts and resultant incentive payments for reasonableness. Traced selected payroll dollars to the individual employee payroll records.

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

OTHER: Ascertained that the utility's accounting procedures are consistent with FPSC Rule 25-17.015, F.A.C. for Energy Conservation Cost Recovery.

TAMPA ELECTRIC COMPANY
Actual Conservation Program Costs per Program
Actual for Months January 2001 through December 2001

Program Name	Capital Investment	Payroll & Benefits	Materials & Supplies	Outside Services	Advertising	Incentives	Vehicles	Other	Program Revenues	Total
1 Heating and Cooling	0	61,844	20	22,845	193,472	673,400	142	4,505	0	956,228
2 Prime Time	1,550,084	769,946	253,404	121,945	42,653	8,895,114	47,814	56,103	0	11,737,063
3 Energy Audits	0	691,439	3,322	315,939	197,562	0	45,484	25,453	(135)	1,279,064
4 Cogeneration	0	272,277	0	0	0	0	4,953	0	0	277,230
5 Ceiling Insulation	0	131,177	31	0	12,750	677,500	6,742	2,502	0	830,702
6 Commercial Load Management	0	6,080	0	0	320	8,097	328	0	0	14,825
7 Commerical Lighting	0	11,385	0	0	14,610	522,706	234	7	0	548,942
8 Standby Generator	0	23,721	177	1,400	0	602,598	642	0	0	628,538
9 Conservation Value	0	3,456	0	0	4,269	60,776	104	0	0	68,605
10 Duct Repair	0	192,096	1,848	83,549	279,092	418,492	16,405	17,210	0	1,008,692
11 Green Pricing Initiative	0	15,807	2,476	3,741	0	0	69	5,866	0	27,959
12 Industrial Load Management	0	0	0	0	0	0	0	0	0	0
13 DSM R&D	0	2,090	158	0	0	0	0	0	0	2,248
14 Common Expenses	0	163,102	0	7,429	0	0	52	4	0	170,587
15 Commercial Cooling	0	347	0	447	4,269	18,694	0	0	0	23,757
16 Energy Plus Homes	0	8,594	0	0	15,889	1,100	37	0	0	25,620
17 Total All Programs	<u>1,550,084</u>	<u>2,353,361</u>	<u>261,436</u>	<u>557,295</u>	<u>764,886</u>	<u>11,878,477</u>	<u>123,006</u>	<u>111,650</u>	<u>(135)</u>	<u>17,600,060</u>

TAMPA ELECTRIC COMPANY
Energy Conservation Adjustment
Calculation of True-up and Interest Provision
For Months January 2001 through December 2001

Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
1 Residential Conservation Audit Fees (A)	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Conservation Adjustment Revenues *	1,542,491	1,212,111	1,103,866	1,149,855	1,214,914	1,514,430	1,503,906	1,534,870	1,629,278	1,298,190	1,156,296	1,157,209	16,017,416
3 Total Revenues	1,542,491	1,212,111	1,103,866	1,149,855	1,214,914	1,514,430	1,503,906	1,534,870	1,629,278	1,298,190	1,156,296	1,157,209	16,017,416
4 Prior Period True-up	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,199</u>	<u>199,197</u>	<u>2,390,386</u>
5 Conservation Revenue Applicable to Period	1,741,690	1,411,310	1,303,065	1,349,054	1,414,113	1,713,629	1,703,105	1,734,069	1,828,477	1,497,389	1,355,495	1,356,406	18,407,802
6 Conservation Expenses	<u>1,774,158</u>	<u>1,450,821</u>	<u>1,502,856</u>	<u>1,371,452</u>	<u>1,237,188</u>	<u>1,487,408</u>	<u>1,332,142</u>	<u>1,402,093</u>	<u>1,367,430</u>	<u>1,352,494</u>	<u>1,446,899</u>	<u>1,875,119</u>	17,600,060
7 True-up This Period (Line 5 - Line 6)	(32,468)	(39,511)	(199,791)	(22,398)	176,925	226,221	370,963	331,976	461,047	144,895	(91,404)	(518,713)	807,742
8 Interest Provision This Period	11,418	9,146	7,365	5,609	4,574	4,292	4,512	4,784	4,586	3,875	3,081	1,956	65,198
9 True-up & Interest Provision Beginning of Period	2,390,386	2,170,137	1,940,573	1,548,948	1,332,960	1,315,260	1,346,574	1,522,850	1,660,411	1,926,845	1,876,416	1,588,894	2,390,386
10 Prior Period True-up Collected (Refunded)	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,199)</u>	<u>(199,197)</u>	<u>(2,390,386)</u>
11 End of Period Total Net True-up	<u>2,170,137</u>	<u>1,940,573</u>	<u>1,548,948</u>	<u>1,332,960</u>	<u>1,315,260</u>	<u>1,346,574</u>	<u>1,522,850</u>	<u>1,660,411</u>	<u>1,926,845</u>	<u>1,876,416</u>	<u>1,588,894</u>	<u>872,940</u>	<u>872,940</u>

*Net of Revenue Taxes

(A) Included in Line 6

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: March 5, 2002
TO: Tampa District Supervisor (McPherson)
FROM: Division of Auditing and Safety (Vandiver) *W*
RE: Docket No. 020002-EG; Tampa Electric Company; Audit Request: Energy Conservation Cost Recovery clause audit for the period from January 1 - December 31, 2001; Audit Control No. 02-064-2-1

Attached is a new audit service request. The analyst's requested due date is July 19, 2002. In order to meet the due date, the audit work papers should be delivered to my office two days before the stated due date.

DNV/jcp
Attachments

cc: Office of Public Counsel