

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: April 7, 2008

TO: Peter H. Lester, Economic Analyst, Division of Economic Regulation

FROM: Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance & Consumer Assistance

RE: Docket No: 080001-EI; Company Name: Tampa Electric Company;
Audit Purpose: Fuel Cost Recovery Clause for 2007;
Audit Control No: 08-003-2-2; Company Code; EI806:

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 Commission Clerk. There are confidential work papers associated with this audit.

DNV:sbj
Attachments

Copy: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)
Division of Commission Clerk (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

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- COM _____ Ms. Paula Brown
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- ECR _____ P.O. Box 111
- GCL _____ Tampa, FL 33601-0111
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- RCA _____ Tampa Electric Company
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FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
BUREAU OF AUDITING*

TAMPA DISTRICT OFFICE

TAMPA ELECTRIC COMPANY

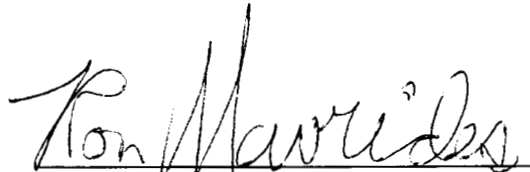
FUEL ADJUSTMENT CLAUSE AUDIT

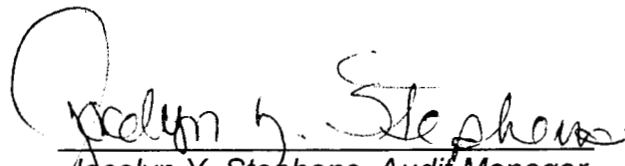
HISTORICAL YEAR ENDED DECEMBER 31, 2007

DOCKET NO. 080001-EI

AUDIT CONTROL NO. 08-003-2-2

Report Issued March 12, 2008


Ronald A. Mavrides, Audit Staff


Jocelyn Y. Stephens, Audit Manager


Joseph W. Rohrbacher, Tampa District Supervisor

DOCUMENT NUMBER-DATE

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
AUDITOR'S REPORT**

March 12, 2008

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules prepared by Tampa Electric Company in support of its filing for fuel and purchased costs recovery, Docket 080001-EI.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use.

OBJECTIVES AND PROCEDURES:

Objective: List those expenses which Tampa Electric has recovered through the fuel clause that do not meet the criteria set forth in Order No. 14546, in Docket No. 850001-EI-B, issued July 8, 1985.

Reconcile coal and oil purchases as shown on monthly FPSC Form 423 with monthly Schedule A-5, general ledger, contractual obligations, and source documents. Trace differences to source documents.

Procedures: We read an excerpt from PSC Order 14546 in order to determine which costs are considered allowable recoverable expenses for fuel clause purposes. The company stated that all its recoverable fuel expenses met the criteria of PSC Order 14546. Using due diligence, we analyzed fuel purchases by selecting Form 423 for various months and tracing all purchase line items to vendor invoices for coal and No. 2 and No. 6 Oil to assure that all inventoried costs met established criteria.

We then reconciled total purchases from Form 423 to the net activity recorded in the Fuel Stock (Inventory) Reports and from the Fuel Stock Reports to Schedule A-5 (Inventory Analysis). Determined that all differences were due to recording procedures. Forms 423 represent only the current month's purchases, whereas the Schedule A-5's include prior month adjustments and transportation costs. The Fuel Stock Report includes in-transit costs whereas Schedule A-5 include only costs of inventory that has actually been delivered to the generating location. No other exceptions were noted.

We also traced a selected invoice to the Fuel Stock report (units and dollars) and traced a daily average cost of coal from net activity to generation expense.

During this process, we noted that the company specifies a sale pile to be used when selling inventoried coal or petcoke. Audit Finding No. 1 provides additional information regarding this issue.

For natural gas, we selected one month for analysis and using the monthly close-out report, traced all purchases to vendor invoices. We then reconciled the close-out report to the inventory schedule and the inventory schedule to purchase on Schedule A-5 in the fuel filing. No exceptions were noted.

Objective: Verify that Tampa Electric has credited vendor rebates and refunds to its recoverable fuel cost.

Procedures: We analyzed all quality discounts and refunds provided by company. Traced refunds and quality discounts to Accounts Receivable Miscellaneous schedule,

Fuel Expense schedule, Journal Entry 32 and fuel inventory schedules. The company stated that it received no rebates.

Objective: Verify that any adjustments to coal inventory due to differences between the “per books” inventory quantities and the semi-annual coal inventory survey quantities have been performed as set forth in Order No. PSC-97-0359-FOF-EI, in Docket No. 970001-EI, issued March 31, 1997.

Procedures: We reviewed all documentation supporting aerial survey calculations and recorded adjustments to determine compliance with PSC procedures established in Order No. PSC-97-0359-FOF-EI. We received a company letter which states that inventory procedures have not changed from the prior audit period. However, the equipment used to measure and determine quantity of fuel consumed has changed. Three (3) Merrick Model E Mechanical Weightometers were replaced with three (3) Merrick Model 475 Electronic Weightometers used to measure coal receipts at Big Bend. These replacements occurred between May 3, 2007 and May 30, 2007.

Objectives: Verify that Tampa Electric has credited generation-related gains derived from non-separated wholesale energy sales to the fuel clause as set forth in Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000.

Procedures: Traced selected amounts to invoices. Determined that both fuels and O&M cost, of Schedule D sales, were credited to operating revenues in accordance with Order No. PSC-00-1744-PAA-EI as well as Order No. PSC-01-2371-FOF-EI. Noted that the company began recording gains for Schedule D sales on Schedule A-6, in 2007. Determined that no O&M cost were charged against generation related-gains related to Market Based and Jurisdictional Schedule D sales.

Objectives: Verify that energy payments to qualifying facilities are based on the appropriate standard offer or negotiated contract rate.

Procedures: Traced fuel cost recorded on Schedule A-8 to invoices. Compared rates per contract to rates per invoice. No exceptions were noted.

Objective: Verify that Tampa Electric has recovered amounts for services provided by TECO Transport for waterborne coal transportation that are limited to those amounts set forth in Order No. PSC-04-0999-FOF-EI, in Docket No. 03-1033-EI, issued October 12, 2004.

Procedures: We read contracts and escalation clauses between Tampa Electric Company and TECO Transport. Analyzed the monthly waterborne transportation disallowance schedules for 2005. Verified tonnage in the disallowance schedule using a Company prepared monthly "Coal Moved" schedule. Recalculated river transportation rate for non-affiliates (October). Traced ocean transportation rates for coal and petcoke to Commission Order PSC-04-0999-FOF-EI. Audit Finding No. 2 provides additional information regarding this issue.

Objective: Summarize and verify accuracy of amounts recorded for Purchased Power Firm (Schedule A7).

Procedures: We selected one month for analysis. For selected line items, we traced "MWH Purchased" and "Total \$ for Fuel Adjustment" to a company prepared schedule of purchases. No exceptions were noted.

Objective: Verify that FTS (firm transportation service) charges for natural gas transportation agree with the appropriate FTS rate schedules for pipeline company tariffs.

Procedures: Obtained the FTS tariff and agreed Reservation, Usage, and other rate items to natural gas transportation invoices.

AUDIT FINDING NO. 1

SUBJECT: SALE PILE COAL

STATEMENT OF FACT:

In the process of reconciling coal purchases between Form 423 and the Fuel Stock Report (JE 32), we found that TECO specifies an Inventory Location as "Sale Pile" in its coal inventory at the TECO Bulk Terminal (TBT) location. The company explained that this location is used to track the sale of its inventoried product. Prior to the sale, TECO transfers the tons and dollars (carrying cost) of product to be sold into the sale pile. Once the sale transaction has been completed, the difference between the carrying cost and the sales price (negative/profit or positive/loss) is transferred back to the original inventory location.

During 2007, the sale pile location was used during the months of January and March, to record the sale of 8,031.31 and 10,229.44 tons of petroleum coke (petcoke), respectively. The sale pile was also used to record the sale of 5,064.7 tons of coal during the month of December. The inventory location of the petcoke is Y1-9. The inventory location of the coal LF/Y2-MS; Y2-GG.

Petcoke is a special product that was originally intended to be burned at Big Bend. Later Big Bend personnel determined that they would not be using this product anymore. Since Big Bend was no longer using the product, SSM Petcoke Ltd. requested to buy this petcoke back for \$ [REDACTED] per ton which was offset by a handling charge of \$2.45/ton. The handling fee is a charge by Tampa Electric to unload the coal out of the petcoke pile.

According to the company, the purchase price of the petcoke, including delivery, was \$ [REDACTED]. A handling fee of \$2.45/ton was also added to the price of this product making the original inventoried cost equal to \$ [REDACTED] per ton. The carrying cost of the petcoke immediately preceding and following the sale in January was \$48.73/ton and \$50.112/ton respectively. The carrying cost of the petcoke immediately preceding and following the sale in March was \$50.112/ton and \$53.228/ton respectively.

Additionally, the company states that the results of a negative aerial adjustment in August 2006, of 7,443 tons contributed to the appearance of loss. A review of the Fuel Stock Inventory report shows that TECO carried 8,663 tons of petcoke at a unit cost of \$39.63/ton on July 31, 2006. After net activity of 15,783.4 tons at \$ [REDACTED]/ton, ending inventory at August 2006 was \$59.168/ton.

During December, staff noted that 5,064.7/tons of medium sulfur coal were sold to Louis Dreyfus Energy Services L.P. The purchase price of this coal was \$ [REDACTED]/ton (commodity = \$ [REDACTED]/ton, river charges = \$ [REDACTED]/ton). Sales price per ton was \$ [REDACTED]. Carrying cost immediately preceding and following the sale of coal was \$50.255 and \$47.605 per ton, respectively. There was no handling fee associated with the sale of coal. This coal was sold because ".....there was an opportunity to do so and we did not need that coal type anymore." Staff however noted

was an opportunity to do so and we did not need that coal type anymore.” Staff however noted that there was positive net activity in this account as late as October 2007. Positive net activity could indicate that purchases/additions exceeded transfers/use of coal.

AUDITOR OPINION:

This information is being presented, at this time, for informational purposes only.

AUDIT FINDING NO. 2

SUBJECT: TRANSPORTATION DISALLOWANCE (Ocean and River)

STATEMENT OF FACT:

We performed an analysis of transportation cost (river and ocean) charged to TECO by TECO Transport. The focus of this analysis was to determine that TECO is properly computing a disallowance of transportation cost, as required by FPSC Order PSC-04-0999-FOF-EI. In prior years, we had performed only a math and data input accuracy check for this computation.

When calculating the monthly ocean transportation disallowance, Tampa Electric multiplies total tons by the disallowance factor of \$2.41. Staff's formula uses the ratio established by PSC Order 04-0999-FOF-EI which is calculated using the base rates included in the TECO Transport Contract, less \$2.41 with the sum divided by the base rate. This ratio percentage is then applied to the base rates to determine the adjusted rates. The adjusted rate is then escalated¹ to determine the recoverable portion of the effective rates for the current period. The recoverable portion of the effective rates is then multiplied by the current month's tons to determine the recoverable portion of the transportation charge for the current month. This is in compliance with the PSC order which states that "...only amounts reflecting the adjusted rates² per ton...as escalated subject to the escalation provisions in its current contract with TECO Transport.." is permitted for recovery purposes.

Also, the FPSC order states that the annual impact of this adjustment is a cost recovery disallowance of \$11,322,000. The Commission reaffirmed this amount in a motion for reconsideration filed by TECO (Order No. PSC-05-0312-FOF-EI, Docket 031033-EI) TECO's annual disallowance, reported in its Fuel Cost Recovery clause, does not agree to this stated amount.

We reviewed TECO's calculation for river transportation disallowance for October 2007 and determined that the company's calculation of the disallowance ratio includes a weighted average rate (adjustment factor) based upon 2004 tons and dollars for the then current docks that were used for the delivery of coal. This adjustment factor, on an ongoing basis, was then applied to the base rates and applicable tons for the current docks being used in order to determine the monthly river disallowance.

Staff's calculation included a recomputation of the weighted average, on a monthly basis, using tons and dollars of those docks currently receiving coal. This weighted average percentage (adjustment factor) was then applied to the base rates to produce adjusted rates, for the specific docks being used. The adjusted rates were escalated to determine the recoverable portion of the transportation rate. The recoverable portion was applied to the current rate and

¹ The escalation factors are included in the escalation agreements and change quarterly based upon approved factors and calculations as included in the original TECO Transport Agreement.

² The adjusted rate, referred to above, is the current contract rate less the \$2.41. Current refers to the applicable time period that the rates are in effect.

multiplied by the current tons to determine the recoverate transportation expense, per dock. This procedure follows the instructions included in FPSC Order PSC-04-0999.

The FPSC order states that TECO "... shall be permitted to recover only amounts reflecting the adjusted rates per ton...as calculated above and escalated subject to the escalation provisions in its current contract with TECO Transport. The annual impact of this adjustment is a cost recovery disallowance of approximately \$3,993,000. This amount was also reaffirmed in Order No. PSC-05-0312-FOF-EI, Docket 031033-EI.

Staff has prepared a summary schedule of additional transportation dollars to be disallowed if the disallowance amount, per ton, should be escalated as stated in the Commission Order PSC-04-0999-FOF-EI.

Annual Balances per Company Computations (Adjusted) - OCEAN				
	Ocean	Ocean		Disallowance
	<u>Coal</u>	<u>Petcoke</u>	<u>Total</u>	<u>Per FPSC Order</u>
				<u>PSC Order 04-0999</u>
2004	10,609,575	239,525	10,849,100	11,322,000
2005	10,349,635	269,623	10,619,258	11,322,000
2006	11,176,676	-	11,176,676	11,322,000
2007	11,188,517	-	11,188,517	11,322,000
	<u>43,324,403</u>	<u>509,148</u>	<u>43,833,551</u>	<u>45,288,000</u>
Additional Disallowance per Staff*				
	Ocean	Ocean		
	<u>Coal</u>	<u>Petcoke</u>	<u>Total</u>	
2004	236,766	11,334	248,099	
2005	1,841,429	37,303	1,878,732	
2006	2,472,605	0	2,472,605	
2007	2,549,285	0	2,549,285	
	<u>6,613,914</u>	<u>48,637</u>	<u>6,613,914</u>	

	<u>Ocean Coal</u>	<u>Ocean Petcoke</u>	<u>Total</u>	<u>Disallowance Per FPSC Order PSC Order 04-0999</u>
2004	10,844,184	250,859	10,844,184	11,322,000
2005	11,775,740	306,926	11,775,740	11,322,000
2006	13,580,591	0	13,580,591	11,322,000
2007	13,737,802	0	13,737,802	11,322,000
	<u>50,424,487</u>	<u>557,785</u>	<u>50,982,272</u>	<u>45,288,000</u>

<u>River Disallowance</u>				
	<u>Balances Per Order</u>	<u>Disallowance per Company</u>	<u>Additional Disallowance per Staff*</u>	<u>Total Disallowance per Staff</u>
2004	3,993,000	2,629,339	527,417	3,156,756
2005	3,993,000	3,522,801	1,156,171	4,678,971
2006	3,993,000	4,138,126	2,675,517	6,813,643
2007	3,993,000	3,954,204	2,488,873	6,443,077
	<u>15,972,000</u>	<u>14,274,470</u>	<u>8,170,547</u>	<u>22,445,017</u>

In the staff's calculations of transportation disallowance, all components of the transportation rate (fuel, variable and other) were included in the escalation when determining the recoverable portion of TECO Transport waterborne transportation expense.

AUDITOR OPINION:

TECO should be required to adjust its Fuel Adjustment Cost Recovery (FAC) filing, based upon an amount decided upon by the Commission, as that which best reflects the intent of FPSC Order PSC-04-0999-FOF-EI.

Impact upon General Ledger: None

Impact upon Fuel Filing: The Commission should consider the escalation language in FPSC Order No. 04-0999-FOF-EI and how it should be applied to the coal transportation.

COMPARISON OF ESTIMATED AND ACTUAL
FUEL AND PURCHASED POWER COST RECOVERY FACTOR
TAMPA ELECTRIC COMPANY
PERIOD TO DATE THROUGH: DECEMBER 2007

	\$				MWH				CENTS/KWH			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	DIFFERENCE %	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	DIFFERENCE %	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	DIFFERENCE %
1. Fuel Cost of System Net Generation (A3)	852,751,345	886,866,902	(34,115,557)	-3.8%	18,157,204	18,821,212	(664,008)	-3.5%	4.69649	4.71206	(0.01557)	-0.3%
2. Spent Nuclear Fuel Disposal Cost	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
3. Coal Car Investment	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
4a. Adj. to Fuel Cost (FLMeade/Wauch. Wheeling Losses)	(120,250)	(99,456)	(20,794)	20.9%	18,157,204 (a)	18,821,212 (a)	(664,008)	-3.5%	(0.00066)	(0.00053)	(0.00013)	25.3%
4b. Adjustments to Fuel Cost	0	0	0	0.0%	18,157,204 (a)	18,821,212 (a)	(664,008)	-3.5%	0.00000	0.00000	0.00000	0.0%
4c. Adjustments to Fuel Cost	0	0	0	0.0%	18,157,204 (a)	18,821,212 (a)	(664,008)	-3.5%	0.00000	0.00000	0.00000	0.0%
5. TOTAL COST OF GENERATED POWER (Lines 1 through 4c)	852,631,095	886,767,446	(34,136,351)	-3.8%	18,157,204	18,821,212	(664,008)	-3.5%	4.69583	4.71153	(0.01570)	-0.3%
6. Fuel Cost of Purchased Power - Firm (A7)	66,640,466	19,463,400	47,177,066	242.4%	1,091,988	256,297	835,691	326.1%	6.10267	7.59408	(1.49141)	-19.6%
7. Energy Cost of Sch. C, X Econ. Purch. (Broker) (A9)	102,142,466	145,008,200	(42,865,734)	-29.6%	1,500,637	2,199,717	(699,080)	-31.8%	6.80661	6.59213	0.21448	3.3%
8. Energy Cost of Other Econ. Purch. (Non-Broker) (A9)	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
9. Energy Cost of Sch. E Economy Purchases (A9)	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
10. Capacity Cost of Sch. E Economy Purchases	0	0	0	0.0%	0 (a)	0 (a)	0	0.0%	0.00000	0.00000	0.00000	0.0%
11. Payments to Qualifying Facilities (A8)	22,744,981	19,760,700	2,984,281	15.1%	622,805	526,045	96,760	18.4%	3.65202	3.75647	(0.10444)	-2.8%
12. TOTAL COST OF PURCHASED POWER (Lines 6 through 11)	191,527,913	184,232,300	7,295,613	4.0%	3,215,430	2,982,059	233,371	7.8%	5.95653	6.17802	(0.22150)	-3.6%
13. TOTAL AVAILABLE KWH (LINE 5 + LINE 12)					21,372,634	21,803,271	(430,637)	-2.0%				
14. Fuel Cost of Sch. D Jurisd. Sales (A6)	720,703	322,900	397,803	123.2%	19,521	15,306	4,215	27.5%	3.69190	2.10963	1.58227	75.0%
15. Fuel Cost of Sch. OATT Jurisd. Sales (A6)	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
16. Fuel Cost of Sch. D Sales (A6)	4,276,865	4,136,400	140,465	3.4%	87,572	87,600	(28)	0.0%	4.88383	4.72192	0.16191	3.4%
17. Fuel Cost of Market Base Sales (A6)	3,421,782	1,812,700	1,609,082	88.8%	75,426	29,980	45,446	151.6%	4.53661	6.04636	(1.50976)	-25.0%
18. Gains on Market Based Sales	780,708	607,700	173,008	28.5%								
19. TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17 + 18)	9,200,058	6,879,700	2,320,358	33.7%	182,519	132,886	49,633	37.4%	5.04060	5.17714	(0.13655)	-2.6%
20. Net Inadvertent Interchange					349	0	349	0.0%				
21. Wheeling Rec'd. less Wheeling Del'v'd.					39,363	0	39,363	0.0%				
22. Interchange and Wheeling Losses					44,546	4,900	39,646	809.1%				
23. TOTAL FUEL AND NET POWER TRANSACTIONS (LINE 5 + 12 - 19 + 20 + 21 - 22)	1,034,958,950	1,064,120,046	(29,161,096)	-2.7%	21,185,281	21,665,485	(480,204)	-2.2%	4.88527	4.91159	(0.02632)	-0.5%
24. Net Unbilled	1,718,501 (a)	(134,443) (a)	1,852,944	-1378.2%	(7,770)	(31,290)	23,520	-75.2%	(22.11713)	0.42967	(22.54680)	-5247.5%
25. Company Use	1,821,429 (a)	1,766,774 (a)	54,655	3.1%	37,347	36,000	1,347	3.7%	4.87704	4.90771	(0.03066)	-0.6%
26. T & D Losses	44,193,193 (a)	53,803,080 (a)	(9,609,887)	-17.9%	901,310	1,100,240	(198,930)	-18.1%	4.90322	4.89012	0.01310	0.3%
27. System KWH Sales	1,034,958,950	1,064,120,046	(29,161,096)	-2.7%	20,254,391	20,560,535	(306,144)	-1.5%	5.10980	5.17555	(0.06575)	-1.3%
28. Wholesale KWH Sales	(37,343,564)	(30,570,554)	(6,773,010)	22.2%	(722,616)	(590,241)	(132,375)	22.4%	5.16783	5.17933	(0.01150)	-0.2%
29. Jurisdictional KWH Sales	997,615,386	1,033,549,492	(35,934,106)	-3.5%	19,531,775	19,970,294	(438,519)	-2.2%	5.10765	5.17543	(0.06778)	-1.3%
30. Jurisdictional Loss Multiplier									1.00087	1.00087	(0.00000)	0.0%
31. Jurisdictional KWH Sales Adjusted for Line Losses	998,483,311	1,034,453,542	(35,970,231)	-3.5%	19,531,775	19,970,294	(438,519)	-2.2%	5.11210	5.17996	(0.06786)	-1.3%
32. Other	0	0	0	0.0%	19,531,775	19,970,294	(438,519)	-2.2%	0.00000	0.00000	0.00000	0.0%
33. Waterborne Transportation Disallowance Per FPSC Decision 9/21/04	(15,142,720)	(15,315,380)	172,660	-1.1%	19,531,775	19,970,294	(438,519)	-2.2%	(0.07753)	(0.07669)	(0.00084)	1.1%
34. Other	0	0	0	0.0%	19,531,775	19,970,294	(438,519)	-2.2%	0.00000	0.00000	0.00000	0.0%
35. True-up *	157,776,979	157,776,979	0	0.0%	19,531,775	19,970,294	(438,519)	-2.2%	0.80780	0.79006	0.01774	2.2%
36. Total Jurisdictional Fuel Cost (Excl. GPIF)	1,141,117,570	1,176,915,141	(35,797,571)	-3.0%	19,531,775	19,970,294	(438,519)	-2.2%	5.84236	5.89333	(0.05096)	-0.9%
37. Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
38. Fuel Cost Adjusted for Taxes (Excl. GPIF)	1,141,939,173	1,177,762,520	(35,823,347)	-3.0%	19,531,775	19,970,294	(438,519)	-2.2%	5.84657	5.89757	(0.05100)	-0.9%
39. GPIF * (Already Adjusted for Taxes)	(99,791)	(99,791)	0	0.0%	19,531,775	19,970,294	(438,519)	-2.2%	(0.00051)	(0.00050)	(0.00001)	2.2%
40. Fuel Cost Adjusted for Taxes (Incl. GPIF)	1,141,839,382	1,177,662,729	(35,823,347)	-3.0%	19,531,775	19,970,294	(438,519)	-2.2%	5.84606	5.89707	(0.05101)	-0.9%
41. Fuel FAC Rounded to the Nearest .001 cents per KWH									5.846	5.897	(0.051)	-0.9%

* Based on Jurisdictional Sales (a) included for informational purposes only

CALCULATION OF TRUE-UP AND INTEREST PROVISION
TAMPA ELECTRIC COMPANY
MONTH OF: DECEMBER 2007

	CURRENT MONTH				PERIOD TO-DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
C. TRUE-UP CALCULATION								
1. JURISDICTIONAL FUEL REVENUE	83,404,348	89,056,879	(5,652,531)	-6.3%	1,142,277,558	1,176,737,749	(34,460,191)	-2.9%
2. FUEL ADJUSTMENT NOT APPLICABLE	0	0	0	0.0%	0	0	0	0.0%
2a. TRUE-UP PROVISION	(13,148,077)	(13,148,077)	0	0.0%	(157,776,979)	(157,776,979)	0	0.0%
2b. INCENTIVE PROVISION	8,315	8,315	0	0.0%	99,791	99,791	0	0.0%
2c. TRANSITION ADJUSTMENT	0	0	0	0.0%	0	0	0	0.0%
2d. WATERBORNE TRANSP. DISALLOWANCE PER FPSC DECISION 9/21/04	1,054,222	1,276,278	(222,056)	-17.4%	15,142,720	15,315,380	(172,660)	-1.1%
3. JURIS. FUEL REVENUE APPL. TO PERIOD	71,318,808	77,193,395	(5,874,587)	-7.6%	999,743,090	1,034,375,941	(34,632,851)	-3.3%
4. ADJ. TOTAL FUEL & NET PWR. TRANS. (LINE A7)	76,108,264	81,950,092	(5,841,828)	-7.1%	1,034,958,950	1,064,120,046	(29,161,096)	-2.7%
5. JURISDIC. SALES- % TOTAL MWH SALES (LINE B4)	0.9691337	0.9898813	(0.0207476)	-2.1%	NA	NA	-	0.0%
6. JURISDIC. TOTAL FUEL & NET PWR. TRANS.	73,759,084	81,120,864	(7,361,780)	-9.1%	997,615,386	1,033,549,492	(35,934,106)	-3.5%
6a. JURISDIC. LOSS MULTIPLIER	1.00087	1.00087	(0.00000)	0.0%	NA	NA	-	0.0%
6b. (LINE C6 x LINE C6a)	73,823,254	81,191,821	(7,368,567)	-9.1%	998,483,311	1,034,453,542	(35,970,231)	-3.5%
6c. OTHER	0	0	0	0.0%	0	0	0	0.0%
6d. (LINE C6c x LINE C5)	0	0	0	0.0%	0	0	0	0.0%
6e. OTHER	0	0	0	0.0%	0	0	0	0.0%
6f. INTEREST ADJ. FOR PRIOR PERIOD HPP ADJ. REPORTED ON SCH A7	0	0	0	0.0%	(90,328)	0	(90,328)	0.0%
6g. JURISDIC. TOTAL FUEL & NET PWR INCL. ALL ADJ. (LNS. C6b+C6d+C6e+C6f)	73,823,254	81,191,821	(7,368,567)	-9.1%	998,483,311	1,034,453,542	(35,970,231)	-3.5%
7. TRUE-UP PROV. FOR MO. +/- COLLECTED (LINE C3 - LINE C6g)	(2,504,446)	(3,998,426)	1,493,980	-37.4%	1,259,779	(77,601)	1,337,380	-1723.4%
8. INTEREST PROVISION FOR THE MONTH	(44,573)	(50,124)	5,551	-11.1%	(4,728,678)	(5,422,476)	693,798	-12.8%
9. TRUE-UP & INT. PROV. BEG. OF MONTH	(16,327,473)	(14,599,604)	(1,727,869)	11.8%	NOT APPLICABLE			
10. TRUE-UP COLLECTED (REFUNDED)	13,148,077	13,148,077	0	0.0%	NOT APPLICABLE			
11. END OF PERIOD TOTAL NET TRUE-UP (LINE C7 through C10)	(5,728,415)	(5,500,077)	(228,338)	4.2%	NOT APPLICABLE			

NOTE: WATERBORNE DISALLOWANCE PROSPECTIVELY REFLECTED AS AN ADJUSTMENT TO REVENUE PER FPSC STAFF REQUEST BEGINNING JANUARY 2007.

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