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COMMISSION
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August 20, 2013

Ms. Ann Cole
Director, Division of Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 130002-EG
Energy Conservation Cost Recovery Clause
Auditor's Report

Dear Ms. Cole:

This letter serves as Tampa Electric's written response to the final audit report filed in Docket No. 130002-EG, Audit Control No. 13-004-2-3, dated July 11, 2013. The audit report is a comprehensive review of Tampa Electric's Energy Conservation Cost Recovery ("ECCR") Clause transactions for the year ending December 31, 2012. Tampa Electric is filing this response to confirm corrective actions have been taken relative to the audit findings.

Audit Finding No. 1:

Audit Finding No. 1 relates to advertising expenses charged to the Energy Audits program. In October, 2012, Tampa Electric incorrectly charged on its ECCR filing, \$36,426.27 to Renewable Energy Initiative instead of the Free Energy Check program. The Renewable Energy Initiative program was overstated by \$36,426.27 and the Free Home Energy Check program understated by \$36,426.27.

The company adjusted the program costs in April 2013 by reducing the Renewable Energy Initiative program costs by \$36,426.27 and increasing the Free Energy Check program costs by the same amount. This adjustment will be reflected in the company's Actual/Estimated True-up & Projection Filing which will be filed with the Commission on September 10, 2013.

Audit Finding No. 2:

Audit Finding No. 2 relates to duplicate depreciation expense charges. In the Price Responsive Load Management program, Tampa Electric reflected \$138,128.00 of depreciation expense in the Capital Investment category and also in the Other Expense category.

The company decreased Other Expense in the Price Responsive Load Management program by \$138,128.00 in April 2013. This adjustment will be reflected in the company's Actual/Estimated True-up & Projection Filing which will be filed with the Commission on September 10, 2013.

Audit Finding No. 3:

Audit Finding No. 3 relates to the Renewable Energy Initiative program revenues. As a result of Audit Finding No. 1, Account 2530302-Deferred Credit Renewable was overcharged, resulting in an understatement of the account balance in the General Ledger.

The company made a correcting entry increasing the balance in Account 2530302-Deferred Credit Renewable by \$36,426.27 and reducing revenues in Account 4560120-Other Revenue Renewable Energy by the same amount. This adjustment was made April 2013 and will be reflected in the company's Actual/Estimated True-up & Projection Filing which will be filed with the Commission on September 10, 2013. The general ledger was corrected in May 2013.

The company would also note that the Renewable Energy Initiative program is not a five-year pilot program as stated in the Audit Analysis section of the finding. It is a permanent program approved by the Commission in Docket No. 060678-EG, Order No. PSC-06-1063-TRF-EG, issued December 26, 2006, and subsequently modified in Docket No. 080367-EG, Order No. PSC-08-0647-TRF-EG, issued October 6, 2008.

Conclusion

Tampa Electric appreciates the Commission Staff's diligence in reviewing the company's accounting methodology for recording ECCR Clause related expenditures. Although the findings in total are quite small compared to the overall ECCR Clause charges, the company takes them seriously and has updated its review process to mitigate future inadvertent errors.

Thank you for the opportunity to provide this written response.

Sincerely,



Paul Edwards

Director Financial Reporting & Analysis

cc: Linda Hill-Slaughter, Office of Auditing and Performance Analysis