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Public Service Commission

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DATE: AUGUST 25, 1999
TO: DIVISION OF ELECTRIC AND GAS (BREMAN)
FROM: DENISE N. VANDIVER; DIVISION OF AUDITING AND FINANCIAL ANALYSIS *W*
RE: DOCKET NO. 990007-EI; GULF POWER COMPANY
 RESPONSE TO ENVIRONMENTAL AUDIT REPORT;
 15 MONTHS ENDED DECEMBER 31, 1998 - AUDIT CONTROL NO. 99-042-1-1

Gulf Power Company submitted the attached comments regarding the recent environmental audit completed by the Bureau of Auditing. These comments are forwarded for your review.

Attachment

cc: Division of Records and Reporting
Division of Auditing and Financial Analysis (Devlin/Causseaux/Harvey/File Folder)
Tallahassee District Office (Hicks)
Division of Legal Services

Office of Public Counsel

- AFA _____
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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING



August 17, 1999

Ms. Denise Vandiver
Bureau Chief – Auditing Services
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0865

Dear Ms. Vandiver:

RE: Docket No. [REDACTED], [REDACTED] Audit Report
Environmental – 15 Months Ended December 31, 1998
Audit Control No. [REDACTED]

Attached is Gulf Power Company response to the above mentioned audit report.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Attachment

cc: Beggs and Lane
J. A. Stone, Esquire
Gulf Power Company
Linda C. Davis

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Gulf Power Company
Docket No. 990007-EI
Environmental Clause
Audit Control No. 99-042-1-1
Audit Response to Exception No. 1

Gulf Power Company's Response to Audit Opinion for Exception No.1

Commission Order No. PSC-94-0044-FOF-EI states that Gulf Power Company is not precluded from using a work order system to capture environmental cost. Currently, capital costs and plant balances are charged to separate work orders in Gulf's plant accounting system. These work orders are accumulated under plant expenditure projects designated for environmental charges only.

The plant accounting system provides a complete and accurate audit trail and easy access to reports and detail information which support the ECRC capital costs. Current year and some prior year data are maintained in the plant system database. Other prior year data is available on microfiche. The audit request to reconcile three ECRC plant balances involved multiple projects and work orders from prior years. The request also asked that Gulf Power provide the auditor with complete documentation of the amounts involved and that we cross-reference those amounts so the auditors could understand with minimal assistance how the plant-in-service amounts reconciled to the general ledger. A large part of the time Gulf spent complying with this audit request involved making copies of applicable plant accounting reports, Company operating reports and the Company's consolidated general ledger for periods from 1991-1998, which supported the reconciliation process. A substantial amount of time was also spent cross-referencing and documenting the reconciliation process for the auditors, as requested, so they could follow the process with minimal assistance.