

State of Florida



Public Service Commission

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

DATE: July 12, 2000
TO: Division of Safety & Electric Reliability (Colson)
FROM: Division of Regulatory Oversight (Vandiver) *ov*
RE: Docket No. 000002-EG: Tampa Electric Company
 Audit Report; Conservation - 12 Months Ended December 31, 1999
 Audit Control No. 00-047-2-2

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, they should send it to the Division of Records and Reporting. There are no confidential work papers associated with this audit.

DNV/sp

Attachment

cc: Division of Regulatory Oversight (Hoppe/Harvey/File Folder)
 Tampa District Office
 Division of Records and Reporting
 Division of Legal Services

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 P. O. Box 111
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Lee L. Willis
 Ausley Law Firm
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 Tallahassee, FL 32302

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FPSC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF REGULATORY OVERSIGHT
BUREAU OF AUDITING*

Tampa District Office

TAMPA ELECTRIC COMPANY

ENERGY CONSERVATION COST RECOVERY AUDIT

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999

**Docket Number 000002-EG
Audit Control Number 00-047-2-2**

A handwritten signature in black ink, appearing to read "J.W. Rohrbacher".

**Joseph W. Rohrbacher
Audit Manager**

A handwritten signature in black ink, appearing to read "James A. McPherson".

**James A. McPherson
Regulatory Analyst Supervisor**

TABLE OF CONTENTS

I.	AUDITOR'S REPORT	Page
	PURPOSE.....	1
	DISCLAIM PUBLIC USE.....	1
	SUMMARY OF SIGNIFICANT PROCEDURES.....	2
II.	EXHIBITS	
	ACTUAL CONSERVATION COSTS PER PROGRAM (SCH CT-2, P2).....	3
	CALCULATION OF TRUE-UP AND INTEREST (SCH CT-3, P2).....	4

**DIVISION OF REGULATORY OVERSIGHT
AUDITOR'S REPORT**

JUNE 28, 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 Tampa Electric Company. These schedules were prepared by the utility in support of Docket No. 000002-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 and Commercial and Industrial (C&I) Load Management programs. Judgementally tested advertising charges to verify that they were properly recoverable through the ECCR and did not compare electric vs. gas technologies. Prepared a schedule of salaries and benefits for supervisory, operational, and office personnel by program. Identified conservation programs that exceeded the budgeted amount by 5% or more. Tested incentive payments for the Ceiling Insulation program.

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 1999 through December 1999

Program Name	(A) Capital Investment	(B) Payroll & Benefits	(C) Materials & Supplies	(D) Outside Services	(E) Advertising	(F) Incentives	(G) Vehicles	(H) Other	(I) Program Revenues	(J) Total
1 Heating and Cooling	0	56,700	0	106,390	300,312	469,600	349	981	0	934,332
2 Prime Time	1,104,460	822,114	50,916	281,859	86,315	9,418,211	49,417	30,077	0	11,843,369
3 Energy Audits	0	694,843	4,823	258,150	170,548	0	54,076	15,714	0	1,198,154
4 Cogeneration	0	234,045	0	19	0	0	8,296	16	0	242,376
5 Ceiling Insulation	0	74,769	0	379	13,842	1,461,000	2,290	545	0	1,552,825
6 Commercial Load Mgmt	502	9,000	0	196	29,736	13,452	865	0	0	53,751
7 Commercial Lighting	0	19,497	0	0	56,554	332,987	1,104	695	0	410,837
8 Standby Generator	0	64,903	5,746	19,783	147	612,234	1,787	598	0	705,198
9 Conservation Value	0	9,299	1,318	0	538	4,820	99	0	0	16,074
10 Duct Repair	0	131,787	85,807	216,829	211,330	242,989	15,042	6,341	0	910,125
11 Green Pricing Initiative	0	0	0	0	0	0	0	0	0	0
12 DSM Commercial R&D	0	2,222	1,238	11,682	0	0	161	0	0	15,303
13 Common Expenses	0	<u>242,069</u>	<u>106</u>	0	0	0	<u>1,157</u>	<u>3,592</u>	0	<u>246,924</u>
14 Total All Programs	<u>1,104,962</u>	<u>2,361,248</u>	<u>149,954</u>	<u>895,287</u>	<u>869,322</u>	<u>12,555,293</u>	<u>134,643</u>	<u>58,559</u>	0	<u>18,129,268</u>

TAMPA ELECTRIC COMPANY
Energy Conservation Adjustment
Calculation of True-up and Interest Provision
For Months January 1999 through December 1999

B.

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 *	1,718,123	1,462,435	1,457,981	1,262,181	1,337,496	1,543,074	1,611,507	1,727,346	1,730,889	1,506,441	1,237,804	1,227,111	17,822,388
3 Total Revenues	1,718,123	1,462,435	1,457,981	1,262,181	1,337,496	1,543,074	1,611,507	1,727,346	1,730,889	1,506,441	1,237,804	1,227,111	17,822,388
4 Prior Period True-up	<u>454,365</u>	<u>454,365</u>	<u>454,365</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	<u>264,595</u>	3,744,450
5 Conservation Revenue Applicable to Period	2,172,488	1,916,800	1,912,346	1,526,776	1,602,091	1,807,669	1,876,102	1,991,941	1,995,484	1,771,036	1,502,399	1,491,706	21,566,838
6 Conservation Expenses	<u>1,490,279</u>	<u>1,548,354</u>	<u>1,735,690</u>	<u>1,264,456</u>	<u>1,515,650</u>	<u>1,484,325</u>	<u>1,587,418</u>	<u>1,478,163</u>	<u>1,636,072</u>	<u>1,318,781</u>	<u>1,593,454</u>	<u>1,476,626</u>	18,129,268
7 True-up This Period (Line 5 - Line 6)	682,209	368,446	176,656	262,320	86,441	323,344	288,684	513,778	359,412	452,255	(91,055)	15,080	3,437,570
8 Interest Provision This Period	10,528	10,805	10,166	9,592	9,244	9,289	9,728	10,617	11,646	12,295	12,249	11,251	127,410
9 True-up & Interest Provision Beginning of Period	2,485,639	2,724,011	2,648,897	2,381,354	2,388,671	2,219,761	2,287,799	2,321,616	2,581,416	2,687,879	2,887,834	2,544,433	2,485,639
10 Prior Period True-up Collected (Refunded)	<u>(454,365)</u>	<u>(454,365)</u>	<u>(454,365)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(264,595)</u>	<u>(3,744,450)</u>
11 End of Period Total Net True-up	<u>2,724,011</u>	<u>2,648,897</u>	<u>2,381,354</u>	<u>2,388,671</u>	<u>2,219,761</u>	<u>2,287,799</u>	<u>2,321,616</u>	<u>2,581,416</u>	<u>2,687,879</u>	<u>2,887,834</u>	<u>2,544,433</u>	<u>2,306,169</u>	<u>2,306,169</u>

Net of Revenue Taxes

COMPANY IDENTIFICATION

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Complete Name: Tampa Electric Company

Mailing Name: Tampa Electric Company

Company Code: EI806

FEID Number: 59-2052286

MAILING INFORMATION

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