State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: AUGUST 26, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (MERTA, L. ROMIG, P. LEE, D. DRAPER, IYAMU)
DIVISION OF ELECTRIC AND GAS (GING)
DIVISION OF LEGAL SERVICES (ELIAS)

ALM JS RVE DM JDJ

RE: DOCKET NO. 950379-EI - DETERMINATION OF REGULATED EARNINGS OF TAMPA ELECTRIC COMPANY PURSUANT TO STIPULATIONS FOR CALENDAR YEARS 1995 THROUGH 1999.

AGENDA: 09/07/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\AFA\WP\950379.RCM
R:\PSC\AFA\123\TECO98.WK4-ATTACHMENTS A-D
R:\PSC\AFA\123\TECO95_98.WK4-ATTACHMENT E

CASE BACKGROUND

On March 1, 1996, Tampa Electric Company (TECO or the Company) submitted its 1996 Forecasted Earnings Surveillance Report in compliance with Rule 25-6.1353, Florida Administrative Code. According to that report, TECO forecasted an achieved return on equity (ROE) of 13.27% which exceeded its then currently authorized ROE ceiling of 12.75%. Due to the high level of TECO's forecasted earnings, meetings were held to explore the possible disposition of the excess earnings. TECO, the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG), and the Staff participated in the meetings.

On March 25, 1996, TECO, OPC, and FIPUG filed a joint motion for approval of a stipulation that resolved the issues regarding

TECO's overearnings and the disposition of those overearnings for the period 1995 through 1998. This stipulation was approved by Order No. PSC-96-0670-S-EI, issued May 20, 1996. The stipulation, agreed to by TECO, OPC and FIPUG:

1) freezes existing base rate levels through December 31, 1998;

2) refunds $25 million plus interest over a one year period commencing on October 1, 1996;

3) defers 60% of the net revenues that contribute to a return on equity (ROE) in excess of 11.75% for 1996;

4) defers 60% of the net revenues that contribute to an ROE in excess of 11.75% up to a net ROE of 12.75% for 1997;

5) defers 60% of the net revenues that contribute to an ROE in excess of 11.75% up to a net ROE of 12.75% for 1998;

6) refunds any net revenues contributing to a net ROE in excess of 12.75% for 1998 plus any remaining deferred revenues from 1996 and 1997;

7) allows TECO the discretion to reverse and add to its 1997 or 1998 revenues all or any portion of the balance of the previously deferred revenues;

8) prohibits TECO from using the various cost recovery clauses to recover capital items that would normally be recovered through base rates; and

9) requires consideration of the regulatory treatment of the Polk Power Station separately.

Order No. PSC-96-1300-S-EI issued, October 24, 1996, in Docket No. 960409-EI (Prudence review to determine the regulatory treatment of TECO's Polk Unit) approved a stipulation entered into by TECO, OPC and FIPUG. The stipulation resolved the issues in the Polk Unit docket, agreed to a rate settlement covering TECO's base rates and rate of return for the period January 1, 1999 through December 31, 1999, and modified the Stipulation approved in Order No. PSC-96-0670-S-EI. It resulted in an additional one year extension of the rate freeze established by the first stipulation and a guaranteed additional $25 million refund starting in October, 1997.

The stipulation:

1) extends the existing freeze on TECO's base rates from January 1, 1999, through December 31, 1999;

2) precludes TECO from filing a rate increase request prior to July 1, 1999, and precludes TECO from requesting an interim increase in any such docket which is filed prior to January 1, 2000;

3) provides for an additional $25 million refund over fifteen months beginning about October 1, 1997 and credited to customer's bill based on actual KWH usage adjusted for line losses;

4) allows TECO to defer into 1999 any portion of its 1998 revenues not subject to refund;

5) provides for the refund in the year 2000 of 60% of any revenues which contribute to a ROE in excess of 12% up to a net ROE of 12.75% for calendar year 1999;

6) provides for the refund in the year 2000 of 100% of any revenues which contribute to a ROE in excess of 12.75% for calendar year 1999;

7) resolves all of the issues in Docket 960409-EI by conferring a finding of prudence on the commencement and continued construction of the Polk Unit by TECO;

8) allows TECO to include the actual final capital cost of the Polk Unit in rate base for all regulatory purposes, up to an amount equal to one percent above the capital cost estimate of $506,165,000 plus related estimated working capital of $13,029,000;

9) allows TECO to include the full operating expense of the Polk Unit in the calculation of net operating income for all regulatory purposes (estimated to be $20,582,000 net of DOE funding for the first 12 months);

10) places the entire investment in the Port Manatee site and any future gain on sale of this site to an independent third party below the line;

11) continues to use the separation procedure adopted in the company's last rate case to separate any current and future wholesale sales from the retail jurisdiction; and

12) provides that any further Commission action relative to this stipulation will be considered in Docket No. 950379-EI.

The parties filed an amendment to the stipulation which allows the Commission to determine the appropriate separation treatment of any off-system sale that is priced based on the Polk Unit's incremental fuel cost. This amendment addressed concerns regarding the potential subsidization of wholesale sales by the retail ratepayers.

By Order No. PSC-97-0436-FOF-EI, issued April 17, 1997, the Commission determined that $50,517,063, plus interest should be deferred from 1995. Of the $50,517,063, $10 million has already been refunded to the customers. By Order No. PSC-99-0683-FOF-EI, issued April 7, 1999, the Commission determined that, after refunding $15 million, $22,081,064 plus interest remained to be deferred from 1996. Based on the Commission's decisions for 1995 and 1996, and the Staff recommendation for 1997, at December 31, 1997, there was approximately $44.5 million, including interest, to be deferred into 1998 earnings.

This recommendation addresses 1998's earnings. Specifically, the issues in this recommendation discuss asset transfers between affiliates, the Company's equity ratio, TECO's investment in a 25% interest in a transmission line, industry association dues, advertising, allocation to subsidiaries and the Electric Technology Resource Center (ETRC).

DISCUSSION OF ISSUES

ISSUE 1: What is the appropriate rate base for 1998?

RECOMMENDATION: The appropriate rate base is $2,136,797,562. (ATTACHMENT A) (P. LEE, MERTA, L. ROMIG)

STAFF ANALYSIS: Based on the adjustment discussed below, the appropriate rate base is $2,136,797,562 for 1998.

Adjustment 1: **Asset Transfers Between Affiliates -** Audit Disclosure No. 5 from the 1997 Affiliated Transactions Audit, indicated that four LPG Fueler Tanker Trucks were sold from TECO to Peoples Gas Company, a nonregulated affiliate of Peoples Gas System, during 1997. The sale was recorded at fair market value.

Consistent with our 1997 recommendation, Staff believes the sale from TECO to Peoples Gas Company should have been made at net book value. To recognize this, Staff recommends that the average reserve balance be increased by $66,050. The amount of the adjustment for 1998 is double the 1997 adjustment because the 1997 adjustment covered six months while the 1998 adjustment is for a full year.

ISSUE 2: What is the appropriate capital structure for purposes of measuring earnings for 1998?

RECOMMENDATION: For the purpose of measuring earnings under the stipulation, the appropriate capital structure for 1998 is shown on ATTACHMENT B. (D. DRAPER)

STAFF ANALYSIS: Staff began its analysis with the 13-month average capital structure from the company's Earnings Surveillance Report (ESR) for the period ending December 31, 1998. Consistent with the Commission's decision in Order No. PSC-98-0802-FOF-EI, a specific adjustment was made to cap the equity ratio at the actual level achieved in 1995 of 58.7%.

The cost rate on the balance of deferred revenues is based on the average 30-day commercial paper rate as per Rule 25-6.109, Florida Administrative Code. The average 30-day commercial paper rate for 1998 was 5.49%. The treatment of deferred revenues as a separate line item in the capital structure is consistent with the Commission's decision in Order No. PSC-99-0683-FOF-EI.

The company calculated the cost rate for short-term debt as 5.56% by using the actual interest expense and the average daily balance for short-term debt. This average daily balance is calculated by totaling the balance of outstanding short-term debt for each day and then dividing by the number of days in the year. Staff calculated a cost rate of 5.38% for short-term debt by using the actual interest expense and the 13-month average balance for short-term debt. Staff believes that 5.38% is the appropriate cost rate to use for short-term debt for the following two reasons. First, using the 13-month average cost rate allows the recovery of only the actual interest expense incurred. Second, this method is consistent with the 13-month average balances reported in the capital structure and rate base. Unless this adjustment is made, applying the cost rate calculated by the company to the 13-month average balance of short-term debt would result in an over-recovery of interest expense incurred by the company in 1998.

In 1995 and 1996, the pro rata adjustments were made over all sources of capital to be consistent with how the company filed its ESR. After reviewing Order No. PSC-93-0165-FOF-EI, issued February 2, 1993, following TECO's last rate case, Staff determined that the reconciling adjustment in the company's ESR was not consistent with the treatment in the last rate case. To be consistent with how the pro rata adjustment was made in the last rate case, Staff recommends that pro rata adjustments be made over investor sources of capital and customer deposits. As discussed in Issue 1, Staff made an adjustment of $66,050 to rate base. Consistent with our 1997 recommendation and for the reasons just discussed, Staff made this pro rata adjustment over investor sources of capital and customer deposits.

ATTACHMENT B details the appropriate capital structure for purposes of measuring 1998 earnings under the stipulations.

ISSUE 3: What is the appropriate net operating income for 1998?

RECOMMENDATION: The appropriate net operating income is $204,008,283 for 1998. (ATTACHMENT A) (MERTA, L. ROMIG, IYAMU, GING)

STAFF ANALYSIS: Based on the adjustments discussed below, the appropriate net operating income is $204,008,283 for 1998.

Adjustment 2: **Deferred Revenue Refund** - In 1998, TECO reversed $38.3 million of deferred revenue. The accumulated balance of deferred revenues, including interest, at December 31, 1998, was $3,046,891. In order to properly determine the amount of 1998 revenues to be refunded, $3,046,891 should be included in revenues. Staff is simply reversing this amount in order to determine the total amount of earnings for 1998. The $3,046,891 is subtracted in the calculation of the maximum allowed revenue reversal for 1998 on ATTACHMENT D.

Adjustment 3: **Temporary Base Rate Reduction** - Per the stipulation agreement, "There will be added to total base rate revenues for 1998 an amount equal to the $25 million temporary base rate reduction credited to customers from October 1, 1997 through December 31, 1998 pursuant to this Stipulation." Therefore, Staff has added $25,422,000 to 1998 revenues. The $25.422 million temporary base rate reduction is subtracted in the calculation of the maximum allowed revenue reversal for 1998 on ATTACHMENT D.

Adjustment 4: **Orlando Utility Commission's (OUC) Transmission Line** - The recommended adjustment is being made consistent with the Commission's decision in Order No. PSC-97-0436-FOF-EI (TECO's 1995 Earnings Docket), and Order No. PSC-98-0802-FOF-EI (TECO's 1996 Earnings Docket). TECO owns a 25% share in OUC's 230 KV line connecting the Lake Agnes substation to the Cane Island generating station. By Order No. PSC-97-0436-FOF-EI, the Commission directed that TECO's entire investment in the transmission line be removed from the calculation of 1995 earnings and allocated to the wholesale jurisdiction because the line was purchased "primarily to ensure the ability to make wholesale sales to entities such as the Reedy Creek Improvement District." The Commission stated:

> The utility has failed to demonstrate the benefits to retail ratepayers that would justify the allocation of any portion of the transmission line to the retail jurisdiction. Based on the information available at this

time, we find that the entire investment shall be assigned to the wholesale jurisdiction.

The Company removed plant-in-service, accumulated amortization, net acquisition adjustment and amortization expense related to the OUC transmission line from the 1998 ESR. However, it failed to remove Taxes Other. Therefore, Staff recommends Taxes Other be reduced by $46,914. There were no O&M costs associated with the OUC transmission line for 1998.

Adjustment 5: **Industry Association Dues** - Based on Audit Disclosure No. 1, Staff recommends that expenses be reduced by $5,574 for Employers Health Coalition. In addition, $22,500 for Electric Cooking Council dues should also be disallowed, as proposed in the 1997 recommendation. In Staff's opinion, the dues of these associations do not relate to the provision of electricity and provide no benefit to ratepayers; therefore, the costs should not be borne by ratepayers. Order No. PSC-93-0165-FOF-EI, (TECO's 1992 rate case), issued February 2, 1993, disallowed similar costs. Staff recommends that expenses be reduced by a total of $28,074 for industry association dues.

Adjustment 6: **Advertising** - Based on Audit Disclosure No. 3, 100% of certain advertisements were charged to TECO instead of being allocated between TECO Energy and TECO. Staff recommends that expenses be reduced by $6,318 for the allocation. In addition, consistent with Order No. PSC-94-0170-FOF-EI (Florida Public Utilities Company Marianna Division 1993 rate case), issued February 10, 1994, Staff recommends that image building, promotional advertising be removed because such expenses provide no benefit to ratepayers. Staff recommends that $1,381 in expenses for "golf brushes for sponsorship of golf tournaments" be disallowed. Therefore, expenses should be reduced by $7,699. The Company agrees with a portion of the recommended disallowance.

Adjustment 7: **Electric Technology Resource Center (ETRC)** - According to TECO, the primary objectives of the ETRC are: (1) to conduct demonstrations and evaluations which optimize the operation of customer facilities, particularly small businesses, through the safe, efficient and economical use of energy, (2) to assist in economic development activities which promote or retain the use of utility services by present and prospective customers, and (3) to facilitate and promote energy efficiency, conservation and environmentally beneficial solutions. Following is a description of the center, summarized from Company documents and the ETRC website.

The ETRC, located on the campus of the University of South Florida, conducts seminars and displays products which have been developed by some of its approximately 170 "partners" to introduce the customer to products designed to provide efficiency and cost savings. The partners provide their products and displays at no cost to ETRC. ETRC, in turn, provides demonstrations at no cost to customers; some seminars are offered for a fee. The center is geared toward small business and industrial customers and consists of three major sections: lighting, advanced technology, and food service.

The center's total expenses of $710,105 include $217,717 in rent, $450,245 in O&M charges, and $42,143 in advertising expense. In Staff's opinion, costs associated with the ETRC do not benefit the general body of ratepayers, are not necessary for providing utility service and should be reported below-the-line. If the Commission accepted Staff recommendation on 1997's earnings, then expenses should be reduced by $654,355; $710,105 less revenues of $55,750. However, if the Commission voted to allow the expenses of the center, Staff believes that $28,657, 68% of the advertising expenses relating to seminars, should be disallowed since the Staff Auditor determined that 68% of the seminars offered in 1998 did not appear to be related to TECO's business.

Adjustment 8: **Allocation to Subsidiaries** - Audit Disclosure No. 7 in the 1997 audit indicated that seven subsidiaries were not allocated costs by TECO Energy. In Staff's opinion, Bosek, Gibson and Associates and TeCom should receive an allocation of expenses. The Company stated that TECO Energy did not allocate to these companies due to the developmental nature of these businesses in 1997; however, TECO believes that an allocation for these entities is reasonable. Staff proposed an adjustment in the 1997 recommendation and accordingly, recommends that expenses be reduced by $45,818 for 1998.

Staff did not conduct a thorough review of the appropriate methodology for allocating expenses by TECO Energy to its subsidiaries. The Company uses one composite factor to allocate all expenses among the subsidiaries; more factors based on cost causation may be appropriate. Although 1998 earnings were calculated using the one factor method, Staff may in the future review the cost allocation methodology to determine if it is reasonable.

Adjustment 9: **Interest Reconciliation** - This adjustment is based on the reconciliation of the rate base and the capital structure.

In this instance, income taxes should be reduced by $934,381. (ATTACHMENT C)

<u>Adjustment 10</u>: Tax Effect of Other Adjustments - The tax effect of Staff's adjustments to NOI results in a $10,349,482 increase to income taxes.

ISSUE 4: What is the maximum amount of deferred revenues that can be reversed into 1998's earnings?

RECOMMENDATION: The maximum amount of deferred revenues that can be reversed into 1998's earnings is $33,373,268. (ATTACHMENT D) (MERTA, L. ROMIG)

STAFF ANALYSIS: In 1998, TECO reversed $38.3 million in revenues and earned 12.66% after the reversal per its December 1998 ESR. According to the stipulations, the maximum the Company is allowed to earn is 12.75%. Based on Staff's adjustments in this recommendation, the maximum amount of deferred revenues that can be reversed into 1998's earnings is $33,373,268.

ISSUE 5: What is the amount to be refunded?

RECOMMENDATION: The amount to be refunded is $12,678,311, including interest, as of December 31, 1998. Additional interest should be accrued from December 31, 1998 to the time of the actual refund. (ATTACHMENT E) (MERTA, L. ROMIG)

STAFF ANALYSIS: The stipulation requires that any earnings over 12.75% ROE for 1998 be refunded in addition to any remaining deferred revenues. ATTACHMENT E summarizes the amount remaining to be refunded. Additional interest should be accrued from December 31, 1998 to the time of the actual refund.

ISSUE 6: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending the review of TECO's 1999 earnings and the determination of the appropriate amount of any additional deferred revenues related to 1999. (ELIAS)

STAFF ANALYSIS: This docket was opened to review TECO's earnings for both 1995 and 1996. However, Order No. PSC-96-0670-S-EI (TECO's 1995 earnings review), and Order No. PSC-96-1300-S-EI (Prudence review to determine the regulatory treatment of TECO's Polk Unit), approve stipulations that provide that any further Commission action relative to the stipulations be considered in Docket No. 950379-EI. Therefore, this docket should remain open pending the review of TECO's earnings for 1999.

ATTACHMENT A

TAMPA ELECTRIC COMPANY
DOCKET NO. 950379-EI
REVIEW OF 1998 EARNINGS

	As Filed FPSC Adjusted Basis	Asset Transfer	Deferred Revenue Refund	Temporary Base Rate Reduction	OUC Transmission Line	Industry Assoc. Dues	Advertising	Electric Technology Resource Ctr.	Allocation to Subsidiaries	Interest Reconciliation	Total Adjustments	Total Adjusted Rate Base
RATE BASE												
Plant in Service	$3,398,144,416										$0	$3,398,144,416
Accumulated Depreciation	(1,371,926,556)	(66,050)									(66,050)	(1,371,992,606)
Net Plant in Service	2,026,217,860	(66,050)	0	0	0	0	0	0	0	0	(66,050)	2,026,151,810
Property Held for Future Use	30,750,290										0	30,750,290
Construction Work in Progress	17,117,984										0	17,117,984
Net Utility Plant	2,074,086,134	(66,050)	0	0	0	0	0	0	0	0	(66,050)	2,074,020,084
Working Capital	62,777,478										0	62,777,478
Total Rate Base	$2,136,863,612	($66,050)	$0	$0	$0	$0	$0	$0	$0	$0	($66,050)	$2,136,797,562
INCOME STATEMENT												
Operating Revenues	$685,731,347		$3,046,891	$25,422,000							$28,468,891	$714,200,238
Operating Expenses:												
Operation & Maintenance - Fuel	11,041,648										0	11,041,648
Operation & Maintenance - Other	227,048,054					(28,074)	(7,699)	(654,355)	(45,818)		(735,946)	226,312,108
Depreciation & Amortization	136,945,472										0	136,945,472
Taxes Other Than Income	46,299,527				(46,914)						(46,914)	46,252,613
Income Taxes - Current	55,039,865		1,175,338	9,806,537	18,097	10,830	2,970	252,417	17,674	(934,381)	10,349,482	65,389,347
Deferred Income Taxes (Net)	28,506,796										0	28,506,796
Investment Tax Credit (Net)	(4,225,036)										0	(4,225,036)
(Gain)/Loss on Disposition	(30,993)										0	(30,993)
Total Operating Expenses	500,625,333		1,175,338	9,806,537	(28,817)	(17,244)	(4,729)	(401,938)	(28,144)	(934,381)	9,566,622	510,191,955
Net Operating Income	$185,106,014	$0	$1,871,553	$15,615,464	$28,817	$17,244	$4,729	$401,938	$28,144	$934,381	$18,902,269	$204,008,283
OVERALL RATE OF RETURN	8.66%										0.88%	9.55%
RETURN ON EQUITY	12.66%										2.10%	14.76%

ATTACHMENT B

DOCKET NO. 950379-EI
TAMPA ELECTRIC COMPANY
STAFF ADJUSTED EARNINGS SURVEILLANCE REPORT
YEAR ENDING DECEMBER 31, 1998

AVERAGE TEST YEAR

		ADJUSTMENTS								
	RETAIL PER BOOKS	COMPANY SPECIFIC	COMPANY PRO RATA	COMPANY ADJUSTED	EQUITY ADJUSTMENT	STAFF PRO RATA	STAFF ADJUSTED	WEIGHT	COST RATE	WEIGHTED COST
LONG TERM DEBT	$667,444,138	($6,458,419)	($57,335,516)	$603,650,203	$38,614,500	($23,951)	$642,240,752	30.06%	6.61%	1.99%
SHORT TERM DEBT	75,897,735	(380)	(6,583,522)	69,313,833		(2,585)	$69,311,248	3.24%	5.38%	0.17%
PREFERRED STOCK	0			0		0	$0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	52,806,382		(4,580,555)	48,225,827		(1,798)	$48,224,029	2.26%	6.09%	0.14%
COMMON EQUITY	1,150,449,248	(733,566)	(99,729,148)	1,049,986,534	(38,614,500)	(37,716)	$1,011,334,318	47.33%	12.75%	6.03%
DEFERRED REVENUE	20,723,028			20,723,028			$20,723,028	0.97%	5.49%	0.05%
DEFERRED TAXES	329,106,607	1,671,248	(28,692,479)	302,085,376			$302,085,376	14.14%	0.00%	0.00%
FAS 109 DEFERRED TAXES	0		0	0			$0	0.00%	0.00%	0.00%
TAX CREDITS - ZERO COST	0		0	0			$0	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	46,963,093	(11,594)	(4,072,688)	42,878,811			$42,878,811	2.01%	10.37%	0.21%
	$2,343,390,231	($5,532,711)	($200,993,908)	$2,136,863,612	$0	($66,050)	$2,136,797,562	100%		8.59%
			EQUITY RATIO	60.94%		EQUITY RATIO	58.70000%			

ATTACHMENT C

TAMPA ELECTRIC COMPANY
DOCKET NO. 950379-EI
REVIEW OF 1998 EARNINGS

INTEREST RECONCILIATION

	Amount	Cost Rate	Interest Exp.	Tax Rate	Effect on Income Tax
Long Term Debt	$642,240,752	6.61%	$42,452,114		
Short Term Debt	69,311,248	5.38%	3,728,945		
Customer Deposits	48,224,029	6.09%	2,936,843		
Deferred Revenue	20,723,028	5.49%	1,137,694		
Tax Credits - Weighted Cost	42,878,811	2.57%	1,100,825		
Interest Expense			51,356,421		
Adj. Company Interest Expense			48,934,177		
Adjustment			($2,422,244)	38.575%	($934,381)

ATTACHMENT D

TAMPA ELECTRIC COMPANY
DOCKET NO. 950379-EI
REVIEW OF 1998 EARNINGS

Adjusted Rate Base			$2,136,797,562
Adjusted Achieved Rate of Return	9.55%		
Allowed Maximum Rate of Return at 12.75% ROE	8.59%		
Excess Rate of Return		x	0.96%
Excess Net Operating Income			20,513,257
Revenue Expansion Factor		x	1.62800
Revenues in Excess of 12.75% ROE			33,395,623
Less Temporary Reduction			(25,422,000)
Less Company Adjustment			(3,046,891)
1998 Revenues in Excess of 12.75% ROE			$4,926,732
Company Reversal			$38,300,000
Less: Revenues in Excess of 12.75% ROE			(4,926,732)
Staff Allowed Maxiumum Revenue Reversal			$33,373,268

ATTACHMENT E

TAMPA ELECTRIC COMPANY
DOCKET NO. 950379-EI
DEFERRED REVENUE SUMMARY

1995 Revenue Deferral per Order No. PSC-97-0436-FOF-EI	$50,517,063
1996 Revenue Deferral per Order No. PSC-99-0683-FOF-EI	37,081,064
1996-1997 Refund	(25,737,978)
1997 Revenue Reversal per Staff Recommendation	(26,378,169)
1998 Revenue Reversal per Staff Recommendation	(33,373,268)
1995-1998 Interest	10,569,599
Refund as of 12/31/98	$12,678,311