

MEMORANDUM

December 18, 1995

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) CW

RE: DOCKET NO. 950003-GU -- ST. JOE NATURAL GAS COMPANY, INC.
PGA AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1995
AUDIT CONTROL NO. 95-233-1-1

The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit working papers are available for review on request. There are no confidential working papers associated with this audit.

Please forward a complete copy of this report to:

St. Joe Natural Gas Company, Inc.
Stuart L. Shoaf
Post Office Box 549
Port S. Joe, FL 32456-0549

DNV/sp

Attachment

cc: Chairman Clark
Commissioner Deason
Commissioner Johnson
Commissioner Kiesling
Commissioner Garcia
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
File Folder)
Division of Electric and Gas (Makin)
Tallahassee District Office (Grayson)

Office of Public Counsel


DOCUMENT NUMBER-DATE

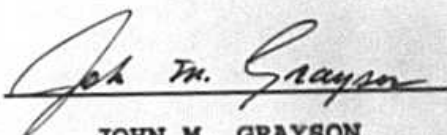
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FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT REPORT
12 MONTHS ENDED SEPTEMBER 30, 1995
FIELD WORK COMPLETED
DECEMBER 15, 1995
ST. JOE NATURAL GAS COMPANY, INC.
PORT ST. JOE, FLORIDA
GULF COUNTY

PURCHASED GAS ADJUSTMENT AUDIT
DOCKET NUMBER - 950003-GU
AUDIT CONTROL NUMBER 95-233-1-1


MICHAEL BUCKLEY
AUDIT MANAGER


JOHN M. GRAYSON
REGULATORY ANALYST SUPERVISOR
TALLAHASSEE DISTRICT OFFICE

DOCUMENT NUMBER-DATE

12734 DEC 1995

FPSC-RECORDS/REPORTING

INDEX

	<u>PAGE</u>
I. EXECUTIVE SUMMARY	
AUDIT PURPOSE	3
SCOPE LIMITATION	3
DISCLAIM PUBLIC USE	3
OPINION	3
SUMMARY FINDINGS	3
II. AUDIT SCOPE	
SCOPE OF WORK PERFORMED	4
III. EXHIBITS	
1. CALCULATION OF TRUE-UP AND INTEREST PROVISION	5

I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report and have recalculated the true-up and interest exhibits filed by St. Joe Natural Gas Company, Inc. in support of Docket 950003-GU for the twelve month period ended September 30, 1995, to determine that the exhibits represent the utility's books and records and those books and records are maintained in compliance with Commission directives and that facts which may influence the Commission's decision process are disclosed.

SCOPE LIMITATION: An audit exit conference was held December 15, 1995. There are no confidential documents associated with the audit report.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied on 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 audit standards and produce audited financial statements for public use.

OPINION: The Purchased Gas Adjustment exhibit for the twelve months period ended September 30, 1995 represent St. Joe Natural Gas Company's books and records maintained in substantial compliance with commission directives. The expressed opinions extend only to the scope of work described in Section II of this report.

II. AUDIT SCOPE

This report is based on the audit work described below. When compiled is used in this report, it defines completed audit work as follows:

COMPILED: The audit staff reconciled exhibit amounts with the general ledger; visually scanned accounts for error or inconsistency; disclosed any unresolved error, irregularity, or inconsistency; and, except as noted, performed no other audit work.

SCOPE OF WORK PERFORMED

REVENUES: Compiled the Purchased Gas Adjustment revenue account to determine that the Company has used the approved PGA factor including taxes as set forth in Commission Orders No. PSC-94-0385-FOF-GU and PSC-95-0350-FOF-GU; Traced therm sales to selected Company billing summaries; Verified PGA rates on three billings monthly for each class, residential, commercial, and large commercial.

EXPENSES: Traced therms and cost of gas to the Company's invoices.

OTHER: Recomputed Company true-up and interest provision; Verified monthly booking of true-up; Verified the correct beginning true-up; Verified that the correct interest rates were applied to under or over recovered amounts for the twelve months ended September 30, 1995.

FOR THE PERIOD OF:

APRIL 95

Through

MARCH 96

		CURRENT MONTH:		SEPTEMBER		PERIOD TO DATE			
		ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
				AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION									
1 PURCHASED GAS COST	LINE 4	\$211,882	\$227,148	15,266	0.07	\$1,690,884	\$1,922,370	231,486	0.12
2 TRANSPORTATION COST	LINE(1+5+6-(7+8))	\$126,968	\$130,020	3,052	0.02	\$816,772	\$862,563	45,791	0.05
3 TOTAL		\$338,850	\$357,168	18,318	0.05	\$2,507,656	\$2,784,933	277,277	0.10
4 FUEL REVENUES		\$370,827	\$357,168	(13,659)	-0.04	\$2,523,436	\$2,784,904	261,468	0.09
(NET OF REVENUE TAX)									
5 TRUE-UP(COLLECTED) OR REFUNDED		(\$1,019)	(\$1,019)	0	0.00	(\$6,113)	(\$6,113)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD *		\$369,809	\$356,149	(13,659)	-0.04	\$2,517,323	\$2,778,791	261,468	0.09
(LINE 4 (+ or -) LINE 5)									
7 TRUE-UP PROVISION - THIS PERIOD		\$30,959	(\$1,019)	(31,977)	31.39	\$9,667	(\$6,142)	(15,809)	2.57
(LINE 6 - LINE 3)									
8 INTEREST PROVISION-THIS PERIOD (21)		(259)	(\$80)	179	-2.24	(\$1,670)	(\$482)	1,189	-2.47
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST		(\$68,784)	(\$16,294)	52,490	-3.22	(\$51,175)	(\$15,863)	35,312	-2.23
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)		\$1,019	\$1,019	0	0.00	\$6,113	\$6,113	0	0.00
10a FLEX RATE REFUND (if applicable)		\$0	\$0	0	ERR	\$0	\$0	0	ERR
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)		(\$37,066)	(\$16,374)	20,692	-1.26	(\$37,066)	(\$16,374)	20,692	-1.26
INTEREST PROVISION									
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)		(68,784)	(16,294)	52,490	-3.22				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)		(36,807)	(16,294)	20,513	-1.26				
14 TOTAL (12+13)		(105,591)	(32,588)	73,003	-2.24				
15 AVERAGE (50% OF 14)		(52,795)	(16,294)	36,502	-2.24				
16 INTEREST RATE - FIRST DAY OF MONTH		5.84	5.84	0.00	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH		5.94	5.94	0.00	0.00				
18 TOTAL (16+17)		11.78	11.78	0.00	0.00				
19 AVERAGE (50% OF 18)		5.89	5.89	0.00	0.00				
20 MONTHLY AVERAGE (19/12 Months)		0.49	0.49	0.00	0.00				
21 INTEREST PROVISION (15x20)		(259)	(80)	179	-2.24				

* If line 5 is a refund add to line 4
If line 5 is a collection () subtract from line 4

State of Florida

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYO
DIRECTOR
(904) 413-6770

Public Service Commission

December 19, 1995

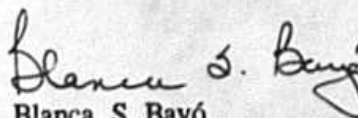
Mr. Stuart L. Shoaf
St. Joe Natural Gas Company, Inc.
Post Office Box 549
Port St. Joe, Florida 32456-0549

Dear Mr. Shoaf:

RE: Docket No. 950003-GU -- St. Joe Natural Gas Company, Inc.
PGA Audit Report - Period Ended September 30, 1995
Audit Control #95-233-1-1

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above date will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Sincerely,


Blanca S. Bayo

BSB/mas
Enclosure
cc: Public Counsel