

MEMORANDUM

December 19, 1995

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *W*

RE: DOCKET NO. 950003-GU -- INDIANTOWN GAS COMPANY
PGA AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1995
AUDIT CONTROL NO. 95-233-4-3

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 was prepared using a micro computer and has been recorded on one diskette. The diskette may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are no confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Indiantown Gas Company
Ms. Colette M. Powers
Post Office Box 8
Indiantown, FL 34956-0008

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)
Miami District Office (Welch)

Office of Public Counsel

DOCUMENT NUMBER-DATE

12750 DEC 19 95

FPSC-RECORDS/REPORTING

Florida Public Service Commission

Audit Report

Twelve months ended September 30, 1995

Field work completed

December 7, 1995

INDIANTOWN GAS COMPANY

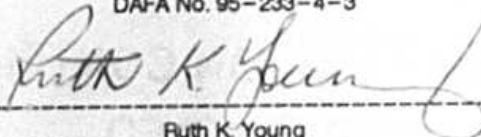
Indiantown, Florida

Martin County

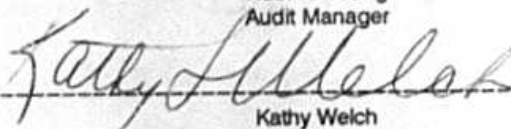
Purchased Gas Adjustment Clause Audit

Docket Number 950003-GU

DAFA No. 95-233-4-3



Ruth K. Young
Audit Manager



Kathy Welch

Regulatory Analyst Supervisor

Miami District Office

DOCUMENT NUMBER-DATE

12750 DEC 19 95

FPSC-RECORDS/REPORTING

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I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to audit the appended Purchased Gas Adjustment schedules prepared in support of Docket 950003-GU for the twelve month period ended September 30, 1995.

SCOPE LIMITATION: The audit exit conference was held on December 12, 1994.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must 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 audit standards and produce audited financial statements for public use.

OPINION: Subject to Audit Exceptions 1 through 4, the Purchased Gas Adjustment schedules for the twelve month period ending September 30, 1995 represent the 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

The opinions contained in this report are based on the audit work described below. When used in this report COMPILED and EXAMINED means that audit work includes:

COMPILED – Means that 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.

EXAMINED – Means that the audit staff reconciled exhibit amounts with the general ledger; traced general ledger account balances to subsidiary ledgers; applied selective analytical review procedures; tested account balances to the extent further described; and disclosed any error, irregularity, or inconsistency observed.

COST OF GAS –

Compiled a Cost of Gas Schedule and reconciled to A-1. Traced purchases for the months of January 1995 and July 1995 to the disbursement ledger. Examined invoices for all months.

REVENUES –

Recalculated revenues using the terms sold per the Sales reports and the approved cap factor per Commission Order. Recalculated one account from the Billing records and reconciled rate billed to Rate Schedule.

RECALCULATION OF A-2 –

Recalculated the true-up and the interest calculation and traced the interest rates used to the Wall Street Journal. Traced prior True-up amount to Commission Order, and True-up and Interest Beginning to prior six month filing.

AUDIT EXCEPTION 1

SUBJECT: NET TRUE UP FOR SIX MONTHS ENDED SEPT 94.

In the PSC staff audit for the 12 months ended September 1994, Audit Disclosure 1 indicated that the revenues on the A-2 schedules were overstated in the amount of \$793. This occurred in the months of October thru March 93. The effect on the true up ended September 1994 with interest was \$813.

The Company ending true up was \$19,078; while staff's calculation was \$18,265; a difference of \$813.

For the beginning amount on the A-2 schedule for October 94, the company used \$19,078 rather than the \$18,265 and did not make an adjustment for the \$813 in any of the 12 months that followed.

OPINION:

The true ups for the six months ended March 95 and six months ended September 95 are overstated because the company did not take into account the adjustment from the last audit.

Staff recalculation using the \$18,265 to begin with in Oct 94 shows:

	March 95	Sept 95
True up per Co. A-2.	43,241	49,176
PSC staff recalculation	42,403	48,313
Difference	838	863

PSC Staff calculation with the Adjustment for 9/94 audit follows this exception.

RECOMMENDATION:

The Company make an adjustment to reduce their revenues in the next months filing of A-2 with the Commission.

COMPANY COMMENT: The Company agrees with Staff recalculation.

Company: Indiantown Gas
 Title: True-up & Interest Calculations
WITH ADJUSTMENT FOR 9/94 AUDIT
 Period: SIX MONTHS ENDED MARCH 31, 1995
 Auditor: RKY
 Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest - first day reporting	Month 1	5.040%
30 day commercial paper rate per Tallahassee memo	Month 2	5.000%
	Month 3	5.660%
	Month 4	6.030%
	Month 5	6.100%
	Month 6	6.050%
Interest - first day reporting of subsequent month		6.120%

INTEREST RATES

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Beginning	5.040%	5.000%	5.660%	6.030%	6.100%	6.050%
Ending	5.000%	5.660%	6.030%	6.100%	6.050%	6.120%
Total	10.040%	10.660%	11.690%	12.130%	12.150%	12.170%
Average	5.020%	5.330%	5.845%	6.065%	6.075%	6.085%
Monthly Average	0.418%	0.444%	0.487%	0.505%	0.506%	0.507%

CALCULATION OF TRUE-UP

Total Gas revenues - net of tax	24,067	157,175	238,606	282,216	250,712	192,275	1,145,051
Prior True-up NOTE A	(256)	(256)	(256)	(256)	(256)	(256)	(1,536)
Total gas revenue to current period	23,811	156,919	238,350	281,960	250,456	192,019	1,143,515
Gas Cost	16,968	166,218	239,340	271,431	218,165	209,637	1,121,759
True-up this period	6,843	(9,299)	(990)	10,529	32,291	(17,618)	21,756
Interest provision	91	93	79	107	218	258	846
True-up & interest beginning NOTE B	18,265	25,455	16,505	15,850	26,742	59,507	18,265
Prior true-up coll. refunded	256	256	256	256	256	256	1,536
FGT PGA TRUE UP ADJ							0
Rate Case Refund Balance							
Total net true-up	25,455	16,505	15,850	26,742	59,507	42,403	42,403
True-up for the month CO. FILING	26,272	17,326	16,675	27,572	60,341	43,241	43,241
Difference	(817)	(821)	(825)	(830)	(834)	(838)	(838)

Company:
Title:

Indiantown Gas
True-up & Interest Calculations
WITH ADJUSTMENT FOR 9/94 AUDIT
SIX MONTHS ENDED MARCH 31, 1995
RKY

Period:
Auditor:
CALCULATION OF INTEREST

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
Beginning true up and int.	18,265	25,455	16,505	15,850	26,742	59,507	
Ending true-up before int	25,364	16,412	15,771	26,635	59,289	42,145	
Total	43,629	41,868	32,276	42,485	86,031	101,652	

Average true up	21,815	20,934	16,138	21,242	43,016	50,826	
Interest rate per above	0.42%	0.44%	0.49%	0.51%	0.51%	0.51%	
Interest per staff	91	93	79	107	218	258	846
Per CO. FILING	95	97	83	112	222	262	871

	(4)	(4)	(4)	(5)	(4)	(4)	(25)

Source: Company prepared schedule A-2

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 94-0385-FOF-GU
ISSUED 4/1/94 (TRUE UP TO BE COLLECTED DURING 10/94 - 3/95 - 3068 UNDERRECOVERY.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$18,265 WAS THE
AMOUNT ADJUSTED IN THE LAST AUDIT.

Company:
Title:

Indiantown Co.
True-up & Interest Calculations
WITH ADJUSTMENT FOR 9/94 AUDIT
SIX MONTHS ENDED SEPTEMBER 1995
RKY

Period:
Auditor:
Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper
Interest- first day reporting
30 day commercial paper rate per Tallahassee memo

Month 1	6.120%
Month 2	6.070%
Month 3	6.070%
Month 4	6.100%
Month 5	5.860%
Month 6	5.840%

Interest- first day reporting
of subsequent month 5.940%

INTEREST RATES

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
Beginning	6.120%	6.070%	6.070%	6.100%	5.860%	5.840%
Ending	6.070%	6.070%	6.100%	5.860%	5.840%	5.940%
Total	12.190%	12.140%	12.170%	11.960%	11.700%	11.780%
Average	6.095%	6.070%	6.085%	5.980%	5.850%	5.890%
Monthly Average	0.508%	0.506%	0.507%	0.498%	0.488%	0.491%

CALCULATION OF TRUE-UP

Total Gas revenues	209,467	256,552	110,396	134,299	267,481	82,157	1,060,352
Prior True-up note a	1,459	1,459	1,459	1,459	1,459	1,459	8,754
Total gas revenue to current period	210,926	258,011	111,855	135,758	268,940	83,616	1,069,106
Gas Cost	216,441	264,714	96,332	132,564	274,336	71,207	1,055,594
True-up this period	(5,515)	(6,703)	15,523	3,194	(5,396)	12,409	13,512
Interest provision	198	160	176	213	197	209	1,152
True-up & interest beginning NOTE B	42,403	35,627	27,624	41,864	43,812	37,154	42,403
Prior true-up coll. refunded	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(8,754)
FGT SETTLEMENT REFUND							
Rate Case Refund Balance							
Total net true-up	35,627	27,624	41,864	43,812	37,154	48,313	48,313
True-up for the month per CO. FILING	36,469	28,471	42,715	44,667	38,013	49,176	49,176
Difference	(842)	(847)	(851)	(855)	(859)	(863)	(863)

Company:
Title:

Indiantown Co.
True-up & Interest Calculations
WITH ADJUSTMENT FOR 9/94 AUDIT
SIX MONTHS ENDED SEPTEMBER 1995
RKY

Period:
Auditor:
CALCULATION OF INTEREST

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
Beginning true up and int.	42,403	35,627	27,624	41,864	43,812	37,154	
Ending true-up before int	35,429	27,465	41,688	43,599	36,957	48,104	
Total	77,832	63,091	69,312	85,463	80,769	85,258	

Average true up	38,916	31,546	34,656	42,731	40,384	42,629	
Interest rate per above	0.51%	0.51%	0.51%	0.50%	0.49%	0.49%	
Interest per staff	198	160	176	213	197	209	1,152
Per Co. Filing	202	164	180	217	201	213	1,177

	(4)	(4)	(4)	(4)	(4)	(4)	(25)

Source: Company prepared schedule A-2
NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 95-0350-FOF-GU
ISSUED 3/14/95 (TRUE UP TO BE COLLECTED DURING 4/95 - 3/96 - 17507 OVERRECOVERY, DIVIDED BY
2 APPLICABLE TO THIS PERIOD 4/95 - 9/95 = 8574.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$42,403 WAS TRACED TO LAST
SIX MONTH PERIOD RECALCULATED BY STAFF FOR 9/94 ADJUSTMENT - (10/94 - 3/95).

AUDIT EXCEPTION 2

SUBJECT: REVENUES

STATEMENT OF FACTS:

Invoices to Residential and Commercial customers were recalculated from the Company billing summaries to determine if the correct cap was used for billing. The recalculation showed the correct cap was used for the two invoices tested in March 95. However, when testing April, May, June, July and September, the amount per therm billed to the customer did not agree with the cap to be billed per Commission order. The Company was not able to explain why the amount per therm billed did not match the Cap.

The revenue on the A-2 schedule is calculated using the therms sold times the appropriate Cap.

PSC staff recalculated the revenues using the Natural Gas Analysis for each month of the 12 month period.

The formula used follows:

divided by	Total Fuel Revenue per Gas Analysis Summary

	Tax factor of 1.01991
	Less
	(# Residential Therms * the base rate for Residential .06632)
	(\$ Commercial Therms * the base rate for Commercial .06166.)
	=
	Total PGA Revenue
	Less
	Revenue per Exhibits
	= Difference.

OPINION:

Based on the PSC staff calculations (schedules follow this exception) the revenue is higher in the PGA exhibits than when recalculating the revenue from the Company Natural Gas Analysis. The amount for the six months ended March 95 is \$906.73; and the amount for the six months ended September 95 is \$123.11.

PSC staff recalculated the A-2 as filed by the Company reducing revenue in each month. The differences are as follows:

	March 95	Sept 95
True up per Co. A-2.	43,241	49,176
PSC staff recalculation	42,320	48,102
Difference	921	1,074
	=====	=====

Audit Exception 3 recalculates the A-2 schedule including Exception 1 (Sept 94 adjustment) and Exception 2 (overstatement of revenues).

RECOMMENDATION:

The Company make an adjustment to reduce their revenues in the next months filing of A-2 with the Commission.

COMPANY COMMENT: The Company agrees with staff recalculation.

Title:
 Period:
 AUDITOR:
 DATE:

Indiantown Gas Co.
 Revenues
 October thru September 1995
 RKY
 DECEMBER 5, 1995

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRURY	MARCH	TOTAL
BILLING SUMMARY TOTAL	6,076.71	6,861.23	6,680.26	9,368.39	11,318.72	7,901.59	48,206.90
SUBTOTAL	6,076.71	6,861.23	6,680.26	9,368.39	11,318.72	7,901.59	48,206.90
DIVIDE BY TAX 1.01911	5,962.76	6,732.57	6,554.99	9,192.72	11,106.48	7,753.42	47,302.94
LESS							
#RES THERMS* .06632**	753.99	843.61	869.99	1,269.90	1,480.46	979.02	6,196.96
#COMM THERNS* .06166**	328.09	377.76	321.99	404.61	539.53	427.92	2,399.90
TOTAL REVENUE	4,680.68	5,511.20	5,363.02	7,518.21	9,086.49	6,346.49	38,706.08
TOTAL PER 41-1	4,994.98	5,640.23	5,488.80	7,694.37	9,299.56	6,494.87	39,612.81
DIFFERENCE	(114.30)	(129.03)	(125.78)	(176.16)	(213.07)	(148.38)	(906.73)

	APRIL	MAY	JUNE	JULY	AUG	SEPT	TOTAL
BILLING SUMMARY TOTAL	7,746.63	7,527.41	5,875.59	5,595.61	5,923.60	5,723.80	38,392.64
SUBTOTAL	7,746.63	7,527.41	5,875.59	5,595.61	5,923.60	5,723.80	38,392.64
DIVIDE BY TAX 1.01911	7,601.37	7,388.26	5,765.41	5,490.68	5,812.52	5,616.47	37,672.71
LESS							
#RES THERMS* .06632	940.82	830.13	766.59	699.74	736.95	667.18	4,641.41
#COMM THERMS* .06166	443.95	510.61	286.60	301.70	322.98	354.36	2,220.19
TOTAL REVENUE	6,216.60	6,045.52	4,712.22	4,489.24	4,752.60	4,594.93	30,811.12
TOTAL PER 41-1	6,241.69	6,069.98	4,730.00	4,507.43	4,771.76	4,613.37	30,934.23
DIFFERENCE	(25.09)	(24.46)	(17.78)	(18.19)	(19.16)	(18.44)	(123.11)

** Agrees with PSC Order No. 14065

Company
Title:

Indiantown Gas
True-up & Interest Calculations
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT

Period:
Auditor:

SIX MONTHS ENDED MARCH 31, 1995
RKY

Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	Month 1	5.040%
30 day commercial paper rate per Tallahassee memo	Month 2	5.000%
	Month 3	5.660%
	Month 4	6.030%
	Month 5	6.100%
	Month 6	6.050%
Interest- first day reporting of subsequent month		6.120%

INTEREST RATES

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Beginning	5.040%	5.000%	5.660%	6.030%	6.100%	6.050%
Ending	5.000%	5.660%	6.030%	6.100%	6.050%	6.120%
Total	10.040%	10.660%	11.690%	12.130%	12.150%	12.170%
Average	5.020%	5.330%	5.845%	6.065%	6.075%	6.085%
Monthly Average	0.418%	0.444%	0.487%	0.505%	0.506%	0.507%

CALCULATION OF TRUE-UP

Total Gas revenues-net of tax	23,953	157,046	238,480	282,040	250,499	192,127	1,144,144
Prior True-up NOTE A	(256)	(256)	(256)	(256)	(256)	(256)	(1,536)
Total gas revenue to current period	23,697	156,790	238,224	281,784	250,243	191,871	1,142,608
Gas Cost	16,968	166,218	239,340	271,431	218,165	209,637	1,121,759
True-up this period	6,729	(9,428)	(1,116)	10,353	32,078	(17,766)	20,849
Interest provision	94	96	81	109	219	258	857
True-up & interest beginning NOTE B	19,078	26,157	17,081	16,302	27,020	59,573	19,078
Prior true-up coll. refunded	256	256	256	256	256	256	1,536
FGT PGA TRUE UP ADJ							0
Rate Case Refund Balance							
Total net true-up	26,157	17,081	16,302	27,020	59,573	42,320	42,320
True-up for the month CO. FILING	26,272	17,326	16,675	27,572	60,341	43,241	43,241
Difference	(115)	(245)	(373)	(552)	(768)	(921)	(921)

Company
Title:

Indiantown Gas
True-up & Interest Calculations
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT

Period:
Auditor:

SIX MONTHS ENDED MARCH 31, 1995
RKY

CALCULATION OF INTEREST

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
Beginning true up and int.	19,078	26,157	17,081	16,302	27,020	59,573	
Ending true-up before int	26,063	16,985	16,221	26,911	59,354	42,062	
Total	45,141	43,142	33,302	43,213	86,374	101,635	
<hr/>							
Average true up	22,570	21,571	16,651	21,607	43,187	50,818	
Interest rate per above	0.42%	0.44%	0.49%	0.51%	0.51%	0.51%	
Interest per staff	94	96	81	109	219	258	857
Per CO. FILING	95	97	83	112	222	262	871
<hr/>							
	(1)	(1)	(2)	(3)	(3)	(4)	(14)
<hr/>							

Source: Company prepared schedule A-2

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 94-0385-FOF-GU
'ISSUED 4/1/94 (TRUE UP TO BE COLLECTED DURING 10/94 - 3/95 - 3068 UNDERRECOVERY.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$19,078 WAS TRACED TO LAST
AUDIT WORKPAPER FILE.

Company: Indiantown Co
 Title: True-up & Interest Calculations
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT
 Period: SIX MONTHS ENDED SEPTEMBER 1995
 Auditor: RKY

Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest - first day reporting	Month 1	6.120%
30 day commercial paper rate per Tallahassee memo	Month 2	6.070%
	Month 3	6.070%
	Month 4	6.100%
	Month 5	5.860%
	Month 6	5.840%
Interest - first day reporting of subsequent month		5.940%

INTEREST RATES

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
Beginning	6.120%	6.070%	6.070%	6.100%	5.860%	5.840%
Ending	6.070%	6.070%	6.100%	5.860%	5.840%	5.940%
Total	12.190%	12.140%	12.170%	11.960%	11.700%	11.780%
Average	6.095%	6.070%	6.085%	5.980%	5.850%	5.890%
Monthly Average	0.508%	0.506%	0.507%	0.498%	0.488%	0.491%

CALCULATION OF TRUE-UP

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
Total Gas revenues	209,442	256,528	110,378	134,281	267,462	82,139	1,060,229
Prior True-up note a	1,459	1,459	1,459	1,459	1,459	1,459	8,754
Total gas revenue to current period	210,901	257,987	111,837	135,740	268,921	83,598	1,068,983
Gas Cost	216,441	264,714	96,332	132,564	274,336	71,207	1,055,594
True-up this period	(5,540)	(6,727)	15,505	3,176	(5,415)	12,391	13,389
Interest provision	197	159	175	212	196	208	1,148
True-up & interest beginning NOTE B	42,320	35,518	27,491	41,712	43,641	36,963	42,320
Prior true-up coll. refunded	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(8,754)
FGT SETTLEMENT REFUND							
Rate Case Refund Balance							
Total net true-up	35,518	27,491	41,712	43,641	36,963	48,102	48,102
True-up for the month per CO. FILING	36,469	28,471	42,715	44,667	38,013	49,176	49,176
Difference	(951)	(980)	(1,003)	(1,026)	(1,050)	(1,074)	(1,074)

Company
Title:

Indiantown Co
True-up & Interest Calculations
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT

Period:
Auditor:

SIX MONTHS ENDED SEPTEMBER 1995
RKY

CALCULATION OF INTEREST

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
Beginning true up and int	42,320	35,518	27,491	41,712	43,641	36,963	
Ending true-up before int	35,321	27,332	41,537	43,429	36,767	47,894	
Total	77,641	62,850	69,027	85,140	80,407	84,857	
<hr/>							
Average true up	38,820	31,425	34,514	42,570	40,204	42,428	
Interest rate per above	0.51%	0.51%	0.51%	0.50%	0.49%	0.49%	
Interest per staff	197	159	175	212	196	208	1,148
Per Co. Filing	202	164	180	217	201	213	1,177
<hr/>							
	(5)	(5)	(5)	(5)	(5)	(5)	(29)
<hr/>							

Source: Company prepared schedule A-2

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 95-0350-FOF-GU
ISSUED 3/14/95 (TRUE UP TO BE COLLECTED DURING 4/95 - 3/96 - 17507 OVERRECOVERY, DIVIDED BY
2 APPLICABLE TO THIS PERIOD 4/95 - 9/95 = 8574.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$42,320 WAS TRACED TO LAST
SIX MONTH PERIOD FILING - (10/94 - 3/95) ENDING TRUE UP.

AUDIT EXCEPTION 3

SUBJECT: NET TRUE UP AT SEPTEMBER 95

STATEMENT OF FACT:

Audit Exception 1 recommends an adjustment to the net true up at September 94 and Audit Exception 2 recommends an adjustment to revenues in all 12 months of the A-2 filing from October 94 through September 95.

OPINION:

Including the above two adjustments in the true up changes the six months ended March 95 and six months ended September 95 as follows:

	March 95	Sept 95
True up per Co. A-2.	43,241	49,176
PSC staff recalculation	41,484	47,241
Difference	1,757	1,935

RECOMMENDATION:

The Company make an adjustment to reduce their revenues in the next months filing of A-2 with the Commission.

COMPANY COMMENT: The Company agrees with staff recalculation.

Company
Title:

Indiantown Gas
True-up & Interest Calculations
WITH SEPT 94 ADJUSTMENT AND
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT
SIX MONTHS ENDED MARCH 31, 1995
RKY

Period:
Auditor:
Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	Month 1	5.040%
30 day commercial paper rate per Tallahassee memo	Month 2	5.000%
	Month 3	5.660%
	Month 4	6.030%
	Month 5	6.100%
	Month 6	6.050%
Interest- first day reporting of subsequent month		6.120%

INTEREST RATES

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Beginning	5.040%	5.000%	5.660%	6.030%	6.100%	6.050%
Ending	5.000%	5.660%	6.030%	6.100%	6.050%	6.120%
Total	10.040%	10.660%	11.690%	12.130%	12.150%	12.170%
Average	5.020%	5.330%	5.845%	6.065%	6.075%	6.085%
Monthly Average	0.418%	0.444%	0.487%	0.505%	0.506%	0.507%

CALCULATION OF TRUE-UP

Total Gas revenues-net of tax	23,953	157,046	238,480	282,040	250,499	192,127	1,144,144
Prior True-up NOTE A	(256)	(256)	(256)	(256)	(256)	(256)	(1,536)
Total gas revenue to current period	23,697	156,790	238,224	281,784	250,243	191,871	1,142,608
Gas Cost	16,968	166,218	239,340	271,431	218,165	209,637	1,121,759
True-up this period	6,729	(9,428)	(1,116)	10,353	32,078	(17,766)	20,849
Interest provision	91	92	77	105	214	253	833
True-up & interest beginning NOTE B	18,265	25,341	16,261	15,478	26,192	58,740	18,265
Prior true-up coll. refunded	256	256	256	256	256	256	1,536
FGT PGA TRUE UP ADJ							0
Rate Case Refund Balance							
Total net true-up	25,341	16,261	15,478	26,192	58,740	41,484	41,484
True-up for the month CO. FILING	26,272	17,326	16,675	27,572	60,341	43,241	43,241
Difference	(931)	(1,065)	(1,197)	(1,380)	(1,601)	(1,757)	(1,757)

Company:
Title:

Indiantown Gas
True-up & Interest Calculations
WITH SEPT 94 ADJUSTMENT AND
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT
SIX MONTHS ENDED MARCH 31, 1995
RKY

Period:
Auditor:
CALCULATION OF INTEREST

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
Beginning true up and int.	18,265	25,341	16,261	15,478	26,192	58,740	
Ending true-up before int	25,250	16,169	15,401	26,087	58,526	41,230	
Total	43,515	41,509	31,662	41,565	84,718	99,971	

Average true up	21,757	20,755	15,831	20,783	42,359	49,985	
Interest rate per above	0.42%	0.44%	0.49%	0.51%	0.51%	0.51%	
Interest per staff	91	92	77	105	214	253	833
Per CO. FILING	95	97	83	112	222	262	871

	(4)	(5)	(6)	(7)	(8)	(9)	(38)

Source: Company prepared schedule A-2

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 94-0385-FOF-GU
ISSUED 4/1/94 (TRUE UP TO BE COLLECTED DURING 10/94 - 3/95 - 3068 UNDERRECOVERY.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$18,265 WAS TRACED TO LAST
AUDIT WORKPAPER FILE AND AUDIT EXCEPTION 1

Company:
Title:

Indiantown Co.
True-up & Interest Calculations
WITH SEPT 94 ADJUSTMENT AND
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT

Period: SIX MONTHS ENDED SEPTEMBER 1995
Auditor: RKY
Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	Month 1	6.120%
30 day commercial paper rate per Tallahassee memo	Month 2	6.070%
	Month 3	6.070%
	Month 4	6.100%
	Month 5	5.860%
	Month 6	5.840%
Interest- first day reporting of subsequent month		5.940%

INTEREST RATES

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
Beginning	6.120%	6.070%	6.070%	6.100%	5.860%	5.840%
Ending	6.070%	6.070%	6.100%	5.860%	5.840%	5.940%
Total	12.190%	12.140%	12.170%	11.960%	11.700%	11.780%
Average	6.095%	6.070%	6.085%	5.980%	5.850%	5.890%
Monthly Average	0.508%	0.506%	0.507%	0.498%	0.488%	0.491%

CALCULATION OF TRUE-UP

Total Gas revenues	209,442	256,528	110,378	134,281	267,462	82,139	1,060,229
Prior True-up note a	1,459	1,459	1,459	1,459	1,459	1,459	8,754
Total gas revenue to current period	210,901	257,987	111,837	135,740	268,921	83,598	1,068,983
Gas Cost	216,441	264,714	96,332	132,564	274,336	71,207	1,055,594
True-up this period	(5,540)	(6,727)	15,505	3,176	(5,415)	12,391	13,389
Interest provision	193	155	171	208	192	204	1,122
True-up & interest beginning NOTE B	41,484	34,678	26,646	40,863	42,788	36,105	41,484
Prior true-up coll. refunded	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(1,459)	(8,754)
FGT SETTLEMENT REFUND							
Rate Case Refund Balance							
Total net true-up	34,678	26,646	40,863	42,788	36,105	47,241	47,241
True-up for the month per CO. FILING	36,469	28,471	42,715	44,667	38,013	49,176	49,176
Difference	(1,791)	(1,825)	(1,852)	(1,879)	(1,908)	(1,935)	(1,935)

Company:
Title:

Indiantown Co.
True-up & Interest Calculations
WITH SEPT 94 ADJUSTMENT AND
WITH ADJUSTMENT FOR REVENUE
OVERSTATEMENT

Period:
Auditor:
CALCULATION OF INTEREST

SIX MONTHS ENDED SEPTEMBER 1995
RKY

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
Beginning true up and int.	41,484	34,678	26,646	40,863	42,788	36,105	
Ending true-up before int	34,485	26,491	40,692	42,580	35,914	47,037	
Total	75,969	61,169	67,338	83,443	78,701	83,142	

Average true up	37,984	30,585	33,669	41,721	39,351	41,571	
Interest rate per above	0.51%	0.51%	0.51%	0.50%	0.49%	0.49%	
Interest per staff	193	155	171	208	192	204	1,122
Per Co. Filing	202	164	180	217	201	213	1,177

	(9)	(9)	(9)	(9)	(9)	(9)	(55)

Source: Company prepared schedule A-2

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER 95-0350-FOF-GU
ISSUED 3/14/95 (TRUE UP TO BE COLLECTED DURING 4/95 - 3/96 - 17507 OVERRECOVERY, DIVIDED BY
2 APPLICABLE TO THIS PERIOD 4/95 - 9/95 = 8574.)

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF \$41,484 WAS TRACED TO LAST
SIX MONTH PERIOD FILING - (10/94 - 3/95) ENDING TRUE UP.

IV. COMPANY EXHIBITS

COMPANY: INDIANTOWN GAS COMPANY

COMPARISON OF ACTUAL VERSUS ORIGINAL ESTIMATE
OF THE PURCHASED GAS ADJUSTMENT COST RECOVERY FACTOR
ESTIMATED FOR THE PERIOD OF: APRIL 94 Through MARCH 95

SCHEDULE A-1
(REVISED 8/19/93)

COST OF GAS PURCHASED	CURRENT MONTH: MARCH 95				PERIOD TO DATE:			
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
1 COMMODITY (Pipeline)	0	6,858	(6,858)	-100.00	(102,133)	(76,265)	(25,868)	33.88
2 NO NOTICE SERVICE	0	1,046	(1,046)	-100.00	0	4,082	(4,082)	-100.00
3 SWNG SERVICE	0	0	0	0.00	0	0	0	0.00
4 COMMODITY (Other)	209,837	157,300	52,537	33.27	1,569,862	1,224,189	345,673	28.24
5 DEMAND	0	28,152	(28,152)	-100.00	0	106,110	(106,110)	-100.00
6 OTHER	0	0	0	0.00	0	0	0	0.00
LESS END-USE CONTRACT								
7 COMMODITY (Pipeline)	0	0	0	0.00	0	0	0	0.00
8 DEMAND	0	0	0	0.00	0	0	0	0.00
9	0	0	0	0.00	0	0	0	0.00
10 SECOND PRIOR MONTH PURCHASE ADJ. (OPTIONAL)	0	0	0	0.00	0	0	0	0.00
11 TOTAL COST (1+2+3+4+5+6+10) - (7+8+9)	209,837	185,356	24,481	13.21	1,467,729	1,228,098	239,631	19.51
12 NET UNBILLED	0	0	0	0.00	0	0	0	0.00
13 COMPANY USE	0	0	0	0.00	0	0	0	0.00
14 TOTAL THERM SALES	192,275	183,356	8,919	4.87	1,531,471	1,296,802	234,669	18.11
THERMS PURCHASED								
15 COMMODITY (Pipeline)	0	650,000	(650,000)	-100.00	0	2,450,000	(2,450,000)	-100.00
16 NO NOTICE SERVICE	0	150,860	(150,860)	-100.00	0	588,080	(588,080)	-100.00
17 SWNG SERVICE	0	0	0	0.00	0	0	0	0.00
18 COMMODITY (Other)	1,057,340	650,000	407,340	62.87	6,746,590	4,921,770	1,824,820	37.08
19 DEMAND	0	650,000	(650,000)	-100.00	0	2,450,000	(2,450,000)	-100.00
20 OTHER	0	0	0	0.00	0	0	0	0.00
LESS END-USE CONTRACT								
21 COMMODITY (Pipeline)	0	0	0	0.00	0	0	0	0.00
22 DEMAND	0	0	0	0.00	0	0	0	0.00
23	0	0	0	0.00	0	0	0	0.00
24 TOTAL PURCHASES (17+18+20) - (21+23)	1,057,340	650,000	407,340	62.87	6,746,590	4,921,770	1,824,820	37.08
25 NET UNBILLED	0	0	0	0.00	0	0	0	0.00
26 COMPANY USE	0	0	0	0.00	0	0	0	0.00
27 TOTAL THERM SALES (24-26 Estimated Only)	1,039,423	650,000	389,423	59.91	6,752,846	4,930,352	1,822,494	36.96
CENTS PER THERM								
28 COMMODITY (Pipeline) (1/15)	0.000	1.055	(1.055)	-100.00	0.000	(3.114)	3.114	-100.00
29 NO NOTICE SERVICE (2/16)	0.000	0.894	(0.894)	-100.00	0.000	0.894	(0.894)	-100.00
30 SWNG SERVICE (3/17)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
31 COMMODITY (Other) (4/18)	19.827	24.200	(4.373)	-18.07	23.269	24.873	(1.604)	-6.45
32 DEMAND (5/19)	0.000	4.331	(4.331)	-100.00	0.000	4.331	(4.331)	-100.00
33 OTHER (6/20)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
LESS END-USE CONTRACT								
34 COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
35 DEMAND (8/22)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
36 (9/23)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
37 TOTAL COST (11/24)	19.827	29.747	(9.920)	-33.35	21.755	25.562	(3.807)	-14.89
38 NET UNBILLED (12/25)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
39 COMPANY USE (13/26)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
40 TOTAL COST OF THERMS SOLD (11/27)	20.189	29.747	(9.578)	-32.20	21.736	25.517	(3.781)	-14.82
41 TRUE-UP (E-2)	0.068	0.068	0.000	0.00	0.068	0.068	0.000	0.00
42 TOTAL COST OF GAS (40+41)	20.237	29.815	(9.578)	-32.12	21.804	25.585	(3.781)	-14.78
43 REVENUE TAX FACTOR	1.01911	1.01911	0.00000	0.00	1.01911	1.01911	0.00000	0.00
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	20.8237	30.3848	(9.7611)	-32.12	22.2207	26.0739	(3.8532)	-14.78
45 PGA FACTOR ROUNDED TO NEAREST .001	20.824	30.385	(9.761)	-32.12	22.221	26.074	(3.853)	-14.78

DOCUMENT NUMBER - DATE

04192 APR 28 '95

FPSC-RECORDS/REPORTING

COMPANY:

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 94 Through MARCH 95

	CURRENT MONTH: MARCH 95		PERIOD TO DATE					
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	209,637	193,356	16,281	8.42	1,467,729	1,258,096	209,633	16.66
3 TOTAL	209,637	193,356	16,281	8.42	1,467,729	1,258,096	209,633	16.66
4 FUEL REVENUES (NET OF REVENUE TAX)	192,275	193,356	(1,081)	(0.56)	1,531,471	1,296,602	234,869	18.11
5 TRUE-UP (COLLECTED) OR REFUNDED	(256)	(256)	0	0.00	(3,072)	(3,072)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	192,019	193,100	(1,081)	(0.56)	1,528,399	1,293,530	234,869	18.16
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(17,616)	(256)	(17,362)	6,782.03	60,670	35,434	25,236	71.22
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	262	83	179	215.66	1,070	720	350	48.61
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	60,341	17,572	42,769	243.39	(21,571)	(21,571)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	256	256	0	0.00	3,072	3,072	0	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	43,241	17,655	25,586	144.92	43,241	17,655	25,586	144.92
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	60,341	17,572	42,769	243.39				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	42,978	17,572	25,407	144.59				
14 TOTAL (12+13)	103,320	35,144	68,176	193.99				
15 AVERAGE (50% OF 14)	51,660	17,572	34,088	193.99				
16 INTEREST RATE - FIRST DAY OF MONTH	6.05000%	5.66000%	0.39000%	6.89				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	6.12000%	5.66000%	0.46000%	8.13				
18 TOTAL (16+17)	12.17000%	11.32000%	0.85000%	7.51				
19 AVERAGE (50% OF 18)	6.09000%	5.66000%	0.43000%	7.60				
20 MONTHLY AVERAGE (19/12 Months)	0.50750%	0.47167%	0.03583%	7.60				
21 INTEREST PROVISION (15x20)	262	83	179	215.66				

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION SYSTEM SUPPLY

SCHEDULE A-4
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 94

Through

MARCH 95

MONTH: MARCH 95

(A) PRODUCER/SUPPLIER	(B) RECEIPT POINT	(C) GROSS AMOUNT MMBtu/d	(D) NET AMOUNT MMBtu/d	(E) MONTHLY GROSS MMBtu	(F) MONTHLY NET MMBtu	(G) WELLHEAD PRICE \$/MMBtu	(H) CITYGATE PRICE (Gx E)/F
PESCO	VARIOUS	3,485	3,411	108,028	105,734	1,941	1,983
TOTAL		3,485	3,411	108,028	105,734		
WEIGHTED AVERAGE						1,941	1,983

NOTE: CITY GATE PRICE SHOULD NOT INCLUDE FGT TRANSPORATION CHARGES

25

COMPANY: INDIANTOWN GAS COMPANY

THERM SALES AND CUSTOMER DATA

SCHEDULE A-5
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 94 Through MARCH 95

	CURRENT MONTH: MARCH 95				PERIOD TO DATE			
	ACTUAL	ESTIMATE	DIFFERENCE		TOTAL THERM SALES		DIFFERENCE	
			AMOUNT	%	ACTUAL	ESTIMATE	AMOUNT	%
THERM SALES (FIRM)								
RESIDENTIAL	14,762	16,500	(1,738)	-10.53	161,140	149,700	11,440	7.64
COMMERCIAL	6,940	6,500	440	6.77	68,937	59,500	9,437	15.86
COMMERCIAL LARGE VOL. 1	0	0	0	0.00	0	0	0	0.00
COMMERCIAL LARGE VOL. 2	0	0	0	0.00	0	0	0	0.00
TOTAL FIRM	21,702	23,000	(1,298)	-5.64	230,077	209,200	20,877	9.98
THERM SALES (INTERRUPTIBLE)								
SMALL INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00
INTERRUPTIBLE	1,017,721	627,000	390,721	62.32	6,522,569	4,285,800	2,236,769	52.19
LARGE INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00
TOTAL INTERRUPTIBLE	1,017,721	627,000	390,721	62.32	6,522,569	4,285,800	2,236,769	52.19
TOTAL THERM SALES	1,039,423	650,000	389,423	59.91	6,752,646	4,495,000	2,257,646	50.23
NUMBER OF CUSTOMERS (FIRM)					AVERAGE NO. OF CUSTOMERS PERIOD TO DATE			
RESIDENTIAL	596	543	53	9.76	570	542	28	5.17
COMMERCIAL	21	19	2	10.53	20	18	2	11.11
COMMERCIAL LARGE VOL. 1	0	0	0	0.00	0	0	0	0.00
COMMERCIAL LARGE VOL. 2	0	0	0	0.00	0	0	0	0.00
TOTAL FIRM	617	562	55	9.79	590	560	30	5.36
NUMBER OF CUSTOMERS (INTERRUPTIBLE)					AVERAGE NO. OF CUSTOMERS PERIOD TO DATE			
SMALL INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00
INTERRUPTIBLE	2	1	1	100.00	1	1	0	0.00
LARGE INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00
TOTAL INTERRUPTIBLE	2	1	1	100.00	1	1	0	0.00
TOTAL CUSTOMERS	619	563	56	9.95	591	561	30	5.35
THERM USE PER CUSTOMER								
RESIDENTIAL	24.8	30.4	(5.6)	-18.42	282.7	276.2	6.5	2.35
COMMERCIAL	330.5	342.1	(11.6)	-3.39	3,446.9	3,305.6	141.3	4.27
COMMERCIAL LARGE VOL. 1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00
COMMERCIAL LARGE VOL. 2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00
SMALL INTERRUPTIBLE	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00
INTERRUPTIBLE	508,860.5	627,000.0	(118,139.5)	-18.84	6,522,569.0	4,285,800.0	2,236,769.0	52.19
LARGE INTERRUPTIBLE	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00

COMPANY: INDIANTOWN GAS COMPANY

CONVERSION FACTOR CALCULATION
ACTUAL FOR THE PERIOD OF: APRIL 94 Through MARCH 95

SCHEDULE A-6
(REVISED 8/19/93)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
1 AVERAGE BTU CONTENT OF GAS												
$\frac{\text{THERMS PURCHASED}}{\text{CCF PURCHASED}} = \text{AVG BTU CONTENT}$	1.04040	1.04680	1.04150	1.04020	1.03550	1.04200	1.03530	1.03340	1.03240	1.03300	1.03470	1.03180
2 PRESSURE CORRECTION FACTOR												
a. DELIVERY PRESSURE OF GAS SOLD psia	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568
b. DELIVERY PRESSURE OF GAS PURCHASED psia	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000
PRESSURE CORRECTION FACTOR (a/b) psia	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433
3 BILLING FACTOR												
BTU CONTENT x PRESSURE CORRECTION FACTOR	1.076	1.083	1.077	1.076	1.071	1.078	1.071	1.069	1.068	1.068	1.070	1.067

PENINSULA ENERGY SERVICES CO.
 DIVISION OF CHESAPEAKE UTILITIES
 P. O. BOX 1769
 DOVER, DELAWARE 19903-1769

Natural Gas Invoice

Customer: Indiantown Gas Company, Inc.
 P.O. Box 8
 Indiantown, Florida 34956
 Attention: Brian Powers
 Statement Date: Apr. 11, 1995
 Production month of: March, 1995

Service	Volume *	Unit Price	Total Price
BS	108,028 **	1.3854 ***	149,661.99
D	105,734	0.4331	45,793.40
C	105,734	0.0717	7,581.13
MS	108,028 **	0.0500	5,401.40
NNT	15,066	0.0694	1,045.58

WACOG trueup Oct, 94 76.75

Total Amount Due: \$209,560.25

* MMBtu
 **Includes 2.17% fuel
 ***Estimated

pd. H-18-95 #16019

PAYABLE UPON RECEIPT
 PAST DUE AFTER: Apr. 21, 1995

PLEASE REMIT TO:
 PENINSULA ENERGY SERVICES CO.
 P.O. BOX 1769
 DOVER, DELAWARE 19903-1769

Direct Billing Inquires To:
 Peninsula Energy Services
 P.O. Box 960
 Winter Haven, Florida 33882-0960
 (813)293-8612
 Attn: Customer Accounting

BS - Baseload Service
 D - Demand

C - FGT usage
 MS - Management Service

PGA - PGA Management
 NNT - No Notice Reservation

COMPANY: INDIANTOWN GAS COMPANY

COMPARISON OF ACTUAL VERSUS ORIGINAL ESTIMATE
OF THE PURCHASED GAS ADJUSTMENT COST RECOVERY FACTOR
ESTIMATED FOR THE PERIOD OF: APRIL 95 THROUGH MARCH 96

SCHEDULE A-1
(REVISED 8/19/93)

	CURRENT MONTH: SEPTEMBER 1995				PERIOD TO DATE			
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
COST OF GAS PURCHASED								
1 COMMODITY (p+shw)	0	0	0	0.00	0	0	0	0.00
2 NO NOTICE SERVICE	0	0	0	0.00	0	0	0	0.00
3 SWNG SERVICE	0	0	0	0.00	0	0	0	0.00
4 COMMODITY (Oshw)	71,207	8,824	62,383	706.87	1,005,294	877,240	178,054	20.23
5 DEMAND	0	0	0	0.00	0	0	0	0.00
6 OTHER	0	0	0	0.00	0	0	0	0.00
LESS END-USE CONTRACT								
7 COMMODITY (p+shw)	0	0	0	0.00	0	0	0	0.00
8 DEMAND	0	0	0	0.00	0	0	0	0.00
9	0	0	0	0.00	0	0	0	0.00
10 SECOND PRIOR MONTH PURCHASE ADJ. (POTOMAU)	0	0	0	0.00	0	0	0	0.00
11 TOTAL COST	71,207	8,824	62,383	706.87	1,005,294	877,240	178,054	20.23
12 NET UNBILLED	0	0	0	0.00	0	0	0	0.00
13 COMPANY USE	0	0	0	0.00	0	0	0	0.00
14 TOTAL THERM SALES	82,157	8,824	73,333	831.06	1,005,294	877,240	128,054	20.27
THERMS PURCHASED								
15 COMMODITY (p+shw)	0	0	0	0.00	0	0	0	0.00
16 NO NOTICE SERVICE	0	0	0	0.00	0	0	0	0.00
17 SWNG SERVICE	0	0	0	0.00	0	0	0	0.00
18 COMMODITY (Oshw)	332,100	30,000	302,100	1007.00	4,733,290	3,000,000	1,663,290	54.36
19 DEMAND	0	0	0	0.00	0	0	0	0.00
20 OTHER	0	0	0	0.00	0	0	0	0.00
LESS END-USE CONTRACT								
21 COMMODITY (p+shw)	0	0	0	0.00	0	0	0	0.00
22 DEMAND	0	0	0	0.00	0	0	0	0.00
23	0	0	0	0.00	0	0	0	0.00
24 TOTAL PURCHASES	332,100	30,000	302,100	1007.00	4,733,290	3,000,000	1,663,290	54.36
25 NET UNBILLED	0	0	0	0.00	0	0	0	0.00
26 COMPANY USE	0	0	0	0.00	0	0	0	0.00
27 TOTAL THERM SALES	370,000	30,000	340,000	1130.45	4,660,290	3,000,000	1,660,290	52.40
CENTS PER THERM								
28 COMMODITY (p+shw)	(1/19)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
29 NO NOTICE SERVICE	(2/19)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
30 SWNG SERVICE	(2/17)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
31 COMMODITY (Oshw)	(4/18)	21.441	29.413	(7.972)	(27.10)	22.349	28.038	(6.318)
32 DEMAND	(2/19)	0.000	0.000	0.00	0.00	0.000	0.000	0.00
33 OTHER	(4/20)	0.000	0.000	0.00	0.00	0.000	0.000	0.00
LESS END-USE CONTRACT								
34 COMMODITY (p+shw)	(7/21)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
35 DEMAND	(8/22)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
36	(9/23)	0.000	0.000	0.00	0.000	0.000	0.000	0.00
37 TOTAL COST	(11/74)	21.441	29.413	(7.972)	(27.10)	22.349	28.038	(6.318)
38 NET UNBILLED	(1/225)	0.000	0.000	0.00	0.00	0.000	0.000	0.00
39 COMPANY USE	(1/226)	0.000	0.000	0.00	0.00	0.000	0.000	0.00
40 TOTAL COST OF THERMS SOLD	(1/127)	19.197	29.413	(10.216)	(34.73)	21.242	28.068	(7.426)
41 TRUE - UP	(E-2)	18.952	29.164	(10.216)	(35.02)	20.997	28.423	(7.426)
42 TOTAL COST OF GAS	(42+41)	1.01911	1.01911	0.00000	(35.02)	1.01911	0.00000	0.00
43 REVENUE TAX FACTOR		19.3142	20.7254	(10.412)	(35.02)	21.3083	28.6682	(7.6679)
44 PGA FACTOR ADJUSTED FOR TAXES (42+43)		19.314	20.725	(10.411)	(35.02)	21.308	28.668	(7.668)
45 PGA FACTOR ROUNDED TO NEAREST 001								

COMPANY: INDIANTOWN GAS COMPANY			
PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION SCHEDULE A-1 SUPPORTING DETAIL			
FOR THE PERIOD OF:		APRIL 1995 THROUGH MARCH 1996	
CURRENT MONTH:		SEPTEMBER 1995	
COMMODITY (Pipeline)	THERMS	INVOICE AMOUNT	COST PER THERM (¢ PER THERM)
1 Commodity Pipeline - Scheduled FTS	0	0.00	0.000
2 Commodity Pipeline - Scheduled ITS	0	0.00	0.000
3 No Notice Commodity Adjustment	0	0.00	0.000
4 PGA Refund	0	0.00	0.000
5 Commodity Adjustments	0	0.00	0.000
6 Commodity Adjustments	0	0.00	0.000
7	0	0.00	0.000
8 TOTAL COMMODITY (Pipeline)	0	0.00	0.000
SWING SERVICE			
9 Swing Service - Scheduled	0	0.00	0.000
10 Alert Day Volumes - FGT	0	0.00	0.000
11 Operational Flow Order Volumes - FGT	0	0.00	0.000
12 Less Alert Day Volumes Direct Billed to Others	0	0.00	0.000
13 Other	0	0.00	0.000
14 Other	0	0.00	0.000
15	0	0.00	0.000
16 TOTAL SWING SERVICE	0	0.00	0.000
COMMODITY OTHER			
17 Commodity Other - Scheduled FTS	332,100	71,207.44	21.442
18 Commodity Other - Scheduled ITS	0	0.00	0.000
19 Imbalance Cashout - FGT	0	0.00	0.000
20 Imbalance Cashout - Other Shippers	0	0.00	0.000
21 Imbalance Cashout - Transporting Customers	0	0.00	0.000
22 Commodity Adjustments	0	0.00	0.000
23	0	0.00	0.000
24 TOTAL COMMODITY (Other)	332,100	71,207.44	21.442
DEMAND			
25 Demand (Pipeline) Entitlement	0	0.00	0.000
26 Less Relinquished to End-Users	0	0.00	0.000
27 Less Relinquished Off System	0	0.00	0.000
28 Less Demand Billed to Others	0	0.00	0.000
29 Other	0	0.00	0.000
30 Other	0	0.00	0.000
31 Other	0	0.00	0.000
32 TOTAL DEMAND	0	0.00	0.000
OTHER			
33 Revenue Sharing - FGT	0	0.00	0.000
34 Peak Shaving	0	0.00	0.000
35 Other	0	0.00	0.000
36 Other	0	0.00	0.000
37 Other	0	0.00	0.000
38 Other	0	0.00	0.000
39 Other	0	0.00	0.000
40 TOTAL OTHER	0	0.00	0.000

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 95 Through MARCH 96

	CURRENT MONTH:		SEPTEMBER 1995		PERIOD TO DATE			
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	71,207	8,824	62,383	706.97	1,055,594	877,240	178,354	20.33
3 TOTAL	71,207	8,824	62,383	706.97	1,055,594	877,240	178,354	20.33
4 FUEL REVENUES (NET OF REVENUE TAX)	82,157	8,824	73,333	831.06	1,060,352	877,240	183,112	20.87
5 TRUE-UP (COLLECTED) OR REFUNDED	1,459	1,459	0	0.00	8,754	8,754	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	83,616	10,283	73,333	713.15	1,069,106	685,994	183,112	20.87
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 5)	12,409	1,459	10,950	750.51	13,512	8,754	4,758	54.35
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	213	0	213	0.00	1,177	0	1,177	0.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	38,013	17,655	20,358	115.31	43,241	17,655	25,586	144.92
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(1,459)	(1,459)	0	0.00	(8,754)	(8,754)	0	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	49,176	17,655	31,521	178.54	49,176	17,655	31,521	178.54
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	38,013	17,655	20,358	115.31				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	48,963	17,655	31,308	177.33				
14 TOTAL (12+13)	86,976	35,310	51,666	146.32				
15 AVERAGE (50% OF 14)	43,488	17,655	25,833	146.32				
16 INTEREST RATE - FIRST DAY OF MONTH	5.84000%	0.00000%	5.84000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.94000%	0.00000%	5.94000%	0.00				
18 TOTAL (16+17)	11.78000%	0.00000%	11.78000%	0.00				
19 AVERAGE (50% OF 18)	5.89000%	0.00000%	5.89000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.49083%	0.00000%	0.49083%	0.00				
21 INTEREST PROVISION (15x20)	213	0	213	0.00				

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION PURCHASES
 SYSTEM SUPPLY AND END USE
 ACTUAL FOR THE PERIOD OF: APRIL 95 Through MARCH 96
 PRESENT MONTH: SEPTEMBER 1995

SCHEDULE A-3
 (REVISED 8/19/93)

DATE	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
SEP-95	PESCO	SYS SUPPLY	FTS	332,100	0	332,100	71,207	0	0	0	21.44
AUG-95	PESCO	SYS SUPPLY	FTS	1,222,700	0	1,222,700	274,336	0	0	0	22.44
JUL-95	PESCO	SYS SUPPLY	FTS	606,820	0	606,820	132,564	0	0	0	21.85
JUN-95	PESCO	SYS SUPPLY	FTS	398,780	0	398,780	96,332	0	0	0	24.16
MAY-95	PESCO	SYS SUPPLY	FTS	1,155,280	0	1,155,280	264,714	0	0	0	22.91
APR-95	PESCO	SYS SUPPLY	FTS	1,007,610	0	1,007,610	218,441	0	0	0	21.48
						0					0.00
						0					0.00
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						0					0.00
						0					0.00
						0					0.00
						0					0.00
						0					0.00
						0					0.00
TOTAL				4,723,290	0	4,723,290	1,055,594	0	0	0	22.35

32

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORTATION SYSTEM SUPPLY

SCHEDULE A-4
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 95 Through MARCH 96
MONTH: SEPTEMBER 1995

(A) PRODUCER/SUPPLIER	(B) RECEIPT POINT	(C) GROSS AMOUNT MMBtu/d	(D) NET AMOUNT MMBtu/d	(E) MONTHLY GROSS MMBtu	(F) MONTHLY NET MMBtu	(G) WELLHEAD PRICE \$/MMBtu	(H) CITYGATE PRICE (GxE)/F
PESCO	VARIOUS	1,272	1,107	38,148	33,210	1.867	2.145
TOTAL		1,272	1,107	38,148	33,210	1.867	2.145
WEIGHTED AVERAGE						1.867	2.145

NOTE: CITY GATE PRICE SHOULD NOT INCLUDE FGT TRANSPORTATION CHARGES

COMPANY: INDIANTOWN GAS COMPANY

THERM SALES AND CUSTOMER DATA

SCHEDULE A-5
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 95 Through MARCH 96

	CURRENT MONTH:		SEPTEMBER 1995		PERIOD TO DATE				
	ACTUAL	ESTIMATE	DIFFERENCE		TOTAL THERM SALES		DIFFERENCE		
			AMOUNT	%	ACTUAL	ESTIMATE	AMOUNT	%	
THERM SALES (FIRM)									
RESIDENTIAL	10,053	11,106	(1,053)	-9.48	69,978	68,913	1,065	1.55	
COMMERCIAL	5,754	5,394	360	6.67	36,018	31,507	4,511	14.32	
COMMERCIAL LARGE VOL. 1	0	15,000	(15,000)	-100.00	0	560,000	(560,000)	-100.00	
COMMERCIAL LARGE VOL. 2	0	0	0	0.00	0	0	0	0.00	
TOTAL FIRM	15,807	31,500	(15,693)	-49.82	105,996	660,420	(554,424)	-83.95	
THERM SALES (INTERRUPTIBLE)									
SMALL INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00	
INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00	
LARGE INTERRUPTIBLE	355,129	0	355,129	0.00	4,863,402	3,100,000	1,763,402	56.88	
TOTAL INTERRUPTIBLE	355,129	0	355,129	0.00	4,863,402	3,100,000	1,763,402	56.88	
TOTAL THERM SALES	370,936	31,500	339,436	1077.57	4,969,398	3,760,420	1,208,978	32.15	
NUMBER OF CUSTOMERS (FIRM)									
					AVERAGE NO. OF CUSTOMERS PERIOD TO DATE				
RESIDENTIAL	584	550	34	6.18	595	550	45	8.18	
COMMERCIAL	22	18	4	22.22	22	18	4	22.22	
COMMERCIAL LARGE VOL. 1	0	1	(1)	-100.00	0	1	(1)	-100.00	
COMMERCIAL LARGE VOL. 2	0	0	0	0.00	0	0	0	0.00	
TOTAL FIRM	606	569	37	6.50	617	569	48	8.44	
NUMBER OF CUSTOMERS (INTERRUPTIBLE)									
					AVERAGE NO. OF CUSTOMERS PERIOD TO DATE				
SMALL INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00	
INTERRUPTIBLE	0	0	0	0.00	0	0	0	0.00	
LARGE INTERRUPTIBLE	2	1	1	100.00	2	1	1	100.00	
TOTAL INTERRUPTIBLE	2	1	1	100.00	2	1	1	100.00	
TOTAL CUSTOMERS	608	570	38	6.67	619	570	49	8.60	
THERM USE PER CUSTOMER									
RESIDENTIAL	17.2	20.2	(3.0)	-14.85	117.6	125.3	(7.7)	-6.15	
COMMERCIAL	261.5	299.7	(38.2)	-12.75	1,637.2	1,750.4	(113.2)	-6.47	
COMMERCIAL LARGE VOL. 1	0.0	15,000.0	(15,000.0)	-100.00	0.0	560,000.0	(560,000.0)	-100.00	
COMMERCIAL LARGE VOL. 2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	
SMALL INTERRUPTIBLE	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	
INTERRUPTIBLE	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	
LARGE INTERRUPTIBLE	177,564.5	0.0	177,564.5	0.00	2,431,701.0	3,100,000.0	(668,299.0)	-21.56	

COMPANY: INDIANTOWN GAS COMPANY		CONVERSION FACTOR CALCULATION												SCHEDULE A-6 (REVISED 8/19/93)	
		ACTUAL FOR THE PERIOD OF: APRIL 95 Through MARCH 96													
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
1 AVERAGE BTU CONTENT OF GAS															
THERMS PURCHASED		1.03290	1.03300	1.03450	1.03660	1.03480	1.03510	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CCF PURCHASED		15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568	15.23568
2 PRESSURE CORRECTION FACTOR															
a. DELIVERY PRESSURE OF GAS SOLD psia		14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000	14.73000
b. DELIVERY PRESSURE OF GAS PURCHASED psia		1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433	1.03433
PRESSURE CORRECTION FACTOR (a/b) psia		1.068	1.068	1.070	1.072	1.070	1.071	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3 BILLING FACTOR															
BTU CONTENT x PRESSURE CORRECTION FACTOR		1.068	1.068	1.070	1.072	1.070	1.071	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Peninsula Energy Services Company

Page 1 of 2

DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 P.O. Box 1769
 Dover, Delaware 19903-1769

NATURAL GAS INVOICE

Revised For Actuals

Customer	Statement Date	10-Oct-95
Indiantown Gas Company, Inc. P.O. Box 8 Indiantown, Florida 34956	Payable Upon Receipt	
	Past Due After	20-Oct-95
Attention: Mr. Brian Powers		

Production month of: September 1995

SERVICE	VOLUME*	UNIT PRICE	TOTAL PRICE
BS	8,526	\$1.5034 ***	\$12,817.99
XG	25,000	\$2.0510	\$51,275.00
D-PTS 1	8,210	\$0.4331	\$3,555.75
C-PTS	0	\$0.4378	\$0.00
PTS GAS	0		\$0.00
C-PTS-1	8,210	\$0.0717	\$588.66
MS	38,148	**	\$1,907.40
NNT	15,600		\$1,082.64
AP		****	\$0.00
WACOG TRUE UP	see page 2		\$15,841.32
TOTAL AMOUNT DUE			\$87,068.76

RECEIVED

OCT 16 1995

BY: 16691

* MMBtu's
 ** Includes 2.85% Fuel
 *** Estimated
 **** This volume to be booked and a refund awarded to IGC at the time of hookup for August 1995.

AD - Alert Day Charges
 BS - Baseload Service
 D - Demand
 AP - Additional Purchases for Generating Plant Not Used

C - FGT Usage
 MS - Management Service
 XG - Excess Gas Purchases for Generating Plant
 PTS GAS - Gas purchased for PTS Transport

PGA - PGA Management
 NNT - No Notice Reservation

<p>Please Remit To Peninsula Energy Services Company Division of Chesapeake Utilities Corporation P.O. Box 1769 Dover, Delaware 19903-1769</p>	<p>For Wire Payments WIRE TRANSFER Credit PENINSULA ENERGY SERVICES COMPANY PNC Bank, Delaware Account # Routing Number</p>
---	---

For Billing Inquiries call Customer Accounting at	(941) 293-8612
Facsimile Number	(941) 294-3895

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 20, 1995

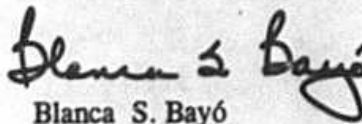
Mr. Brian J. Powers
Indiantown Gas Company
Post Office Box 8
Indiantown, Florida 34950-0008

Dear Mr. Powers:

Re: Docket No. 950003-GU -- Indiantown Gas Company
PGA Audit Report - Period Ended September 30, 1995
Audit Control #95-233-4-3

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