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State of Florida



Public Service Commission

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

DATE: July 10, 2001
TO: Division of Competitive Services (Makin)
FROM: Division of Regulatory Oversight (Vandiver) *OV*
RE: Docket No. 010003-GU; Indiantown Gas Company; PGA audit; Audit Control No. 01-064-4-2

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, it should send the response to the Division of Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

Attachment

cc: Division of Regulatory Oversight (Hoppe, Harvey, District Offices, File Folder)
Division of Commission Clerk and Administrative Services (2)
Division of Legal Services

Mr. Brian J. Powers
Indiantown Gas Company
P.O. Box 8
Indiantown, FL 34956-0008

DOCUMENT NUMBER-DATE

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SP-10 RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

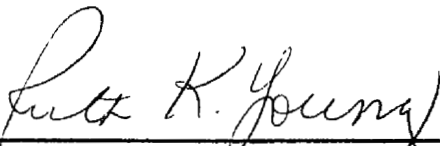
*DIVISION OF REGULATORY OVERSIGHT
BUREAU OF AUDITING SERVICES*

Miami District Office

**INDIANTOWN GAS COMPANY
PURCHASED GAS ADJUSTMENT AUDIT
PERIOD ENDED DECEMBER 31, 2000**

AUDIT CONTROL NO. 01-064-4-2

DOCKET NO. 010003-GU



Ruth K. Young, Audit Manager



Kathy L. Welch, Audit Supervisor

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

JUNE 29, 2000

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED
PARTIES**

We have applied the procedures described later in this report to audit the accompanying Purchased Gas Adjustment Schedules for the year ending December 31, 2000. These schedules were prepared by the utility as part of its Purchased Gas Adjustment true-up filings in Docket No. 010003-GU.

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:

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Examined - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Confirmed - Evidential matter supporting an account balance, transaction, or other information was obtained directly from an independent third party.

Verify - The item was tested for accuracy and compared to substantiating documentation.

Revenues: The revenue amounts on the A-2 schedules were compared with the general ledger. Residential and commercial amounts were then traced to the billing register summaries. The terms used times the PGA were recalculated. The totals on the summaries were compared to the detailed billing register, and individual bills were recalculated to determine the rate used and if the rate was below the Commission authorized cap. Invoices to industrial customers were compiled and totals compared to the general ledger. Invoices were recalculated to determine if the company was billing below the cap.

Expenses: Compiled cost of gas expenses for the 12- months ending December 31, 2000. Examined all invoices.

True-up and Interest: Recalculated the true-up and interest amounts for the 12 months. Traced interest rates to the Wall Street Journal.

AUDIT EXCEPTION 1

**SUBJECT: ADJUSTMENTS FROM PRIOR AUDIT FOR THE YEAR
 ENDED DECEMBER 31, 1999**

STATEMENT OF FACTS: The prior audit report for the year ended December 31, 1999 included two audit exceptions to revenue. The adjustment for the two was to decrease revenues on the A-2. The effect was to increase the company's under-recovery from \$7,782 to \$8,126, a total of \$344. The company did not adjust its beginning period true-up.

RECOMMENDATION: The beginning under-recovery true up for the year ended December 31, 2000 should be increased in the amount of \$344. A revised A-2 schedule is included in the Exhibit section of this report which includes this exception and any others in this report.

AUDIT EXCEPTION 2

**SUBJECT: COMPARISON OF REVENUE AND COST OF GAS ON THE
GENERAL LEDGER WITH AMOUNTS REPORTED ON THE A-2**

STATEMENT OF FACTS: The revenue recorded on the general ledger does not agree with the A-2 schedules submitted to the Commission for the months of February, March and June 2000.

In the months of February and March, the journal entries recorded in the general ledger for billing corrections were not reported on the A-2. The A-2 revenues are calculated from the billing register summaries and individual bills to its industrial customers. This does not take into account any adjustments made to revenue accounts for refunds, revised bills to customers, or any other types of general ledger adjustment. The differences follow:

	Revenue General Ledger	Revenue A-2	Difference*
Feb	361,945.63	361,990.00	(47.04)
Mar	445,601.64	445,653.00	(51.07)

* Portion related to the PGA.

In the month of June, there were two items that were not recorded on the A-2 that were recorded on the general ledger. One item was a debit to revenue in the amount of 21.44 for a refund. The second item was a credit to revenue for billing to one of its industrial customers in the amount of 119,196.72; for a net difference of \$119,175.43. A company representative explained that this amount was for a penalty because of an alert day. The company was notified by Florida Gas Transmission that there was not enough gas in the pipeline and Indiantown Gas Co. did not have any to put in the line. Indiantown Gas Co. informed the industrial customer of the penalty. The industrial customer did not have a choice as it had obligations and needed the gas. The customer agreed to pay the penalty and Indiantown Gas Company billed the customer.

The penalty paid by the customer to Indiantown Gas Company was not included on the A-2 as revenue or in the cost of gas on the A-2.

OPINION: The revenues on the A-2 should be decreased in the amounts of \$47.04, \$51.07 and \$21.44 for the months of February, March, and June respectively. Since the penalty billed to and paid by one of the industrial customers is not included in either the revenues or expenses on the A-2 schedules, and it does not effect the outcome of the PGA; it is not necessary to adjust the A-2 schedules for this amount.

A revised A-2 schedule for the year end December 31, 2000 which reflects this exception and all other exceptions in this report is included in the exhibit section of this report.

As recommended in the prior audit report for the year end December 31, 1999, before preparing the A-2 schedules, the company should agree its general ledger to the information used to prepare the schedules. Or, the general ledger amounts should be used to prepare the A-2 schedules.

AUDIT EXCEPTION 3

SUBJECT: ACCOUNTING PROCEDURES FOR REVENUE

STATEMENT OF FACTS: The company's output from its billing registers is two reports.

The first is a detailed list of all customer bills by route. Each route for each month is totaled and the detail includes the service charge, quantity, quantity times rate (rate is inclusive of base and PGA), tax and total amount.

The second is a summary of the month's billing by route. The summaries for each route include the terms, service charge, PGA charges, base charges, tax and total. This is the only schedule where the PGA charges are detailed separately.

1. Summary Reports

A. When applying the PGA rates to the amount of terms on the monthly schedule by route, the recalculation does not agree with the total on the summary reports. The differences show that the PGA revenue reported and booked is slightly higher than our recalculation and the base revenue is slightly lower than our recalculation.

	PGA	Base	Total
Company Summary	104,991.49	17,243.44	122,234.93
Recalculation	104,267.20	17,969.56	122,936.76
Difference	724.94	(726.12)	1.83

The monthly detail schedule follows this exception. This person who programs the company's billing information could not explain why this occurred.

B. Also, when adding the columns on the summary reports, the columns do not add down to the totals. That is because there is another route included in the total that is not listed in the summary. That is route 99 which are the close outs.

2. Detailed List of Customers

The totals in the detailed list of customers do not always agree with the summary reports. The reason is because the summary totals include customers that are closed out during the month whereas the detail list does not.

OPINION:

1. Summary Reports

A. The A-2 schedules should be revised to reflect the revenue adjustments above. A revised A-2

schedule for the year end December 31, 2000 which reflects this exception and all other exceptions in this report is included in the exhibit section of this report.

It is also recommended that the company make every effort along with its programmer to determine why there is a difference in the fuel revenue when recalculating the monthly summaries by route. When the company has determined this, staff should review the system to make sure fuel and base revenue are being reported correctly.

B. The company should include all routes in its summary reports to provide a clearer audit trail.

2. Detailed Customer List

The company should make an effort to revise its system to include the closeouts in the detailed billing register to provide a complete audit trail.

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

When applying the PGA rates to the amount of therms on the monthly summary schedules by route, the recalculation does not agree with the total on the summary reported. The differences show that the fuel revenue reported and booked is slightly higher than our recalculation and the base revenue is slightly lower than our recalculation.

MONTH	FUEL	NON FUEL	TOTAL	RECALCULATE FUEL	RECALCULATE NON FUEL	RECALCULATE TOTAL	DIFFERENCE IN FUEL	DIFFERENCE IN NON FUEL	TOTAL DIFFERENCE
January	13,111.29	1,708.02	14,819.31	13,040.97	1,788.92	14,829.89	(70.32)	80.90	10.58
February	15,180.99	1,977.44	17,158.43	15,098.67	2,067.72	17,166.39	(82.32)	90.28	7.96
March	2,455.13	1,471.87	3,927.00	2,398.67	1,534.73	3,933.40	(56.46)	62.86	6.40
April	2,602.62	1,563.74	4,166.36	2,547.69	1,626.12	4,173.81	(54.93)	62.38	7.45
May	2,326.31	1,394.68	3,720.99	2,273.57	1,456.19	3,729.76	(52.74)	61.51	8.77
June	6,138.90	1,399.78	7,538.68	6,092.79	1,454.16	7,546.95	(46.11)	54.38	8.27
July	8,725.40	1,139.95	9,865.35	8,676.33	1,185.11	9,861.44	(49.07)	45.16	(3.91)
August	1,965.09	1,168.51	3,133.60	1,904.24	1,221.18	3,125.42	(60.85)	52.67	(8.18)
September	8,355.95	1,093.18	9,449.13	8,330.68	1,138.35	9,469.03	(25.27)	45.17	19.90
October	9776.48	1,274.33	11,050.81	9,715.61	1,323.22	11,038.83	(60.87)	48.89	(11.98)
November	17,145.63	1,523.34	18,668.97	17,085.82	1,584.81	18,670.63	(59.81)	61.47	1.66
December	17,207.70	1,528.60	18,736.30	17,102.16	1,589.05	18,691.21	(105.54)	60.45	(45.09)
	104,991.49	17,243.44	122,234.93	104,267.20	17,969.56	122,236.76	(724.29)	726.12	1.83

The monthly detail schedule is on the next schedule.

Recommendation: The A-2 Schedules should be revised to reflect the revenue adjustments above. It is also recommended that the company make every effort along with its programmer to determine why there is a difference in the fuel revenue when calculating the monthly summaries by route. When the company has determined this, staff should review the system to make sure fuel and base revenue are being reported correctly.

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

Per Summaries

JANUARY			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	2,348.92	0.470420	1,104.98	0.066320	155.78	1,260.76
3	9,610.83	0.470420	4,521.13	0.061160	587.80	5,108.93
4	2,518.76	0.470420	1,184.88	0.066320	167.04	1,351.92
5	3,714.39	0.470420	1,747.32	0.066320	246.34	1,993.66
6	3,423.83	0.470420	1,610.64	0.066320	227.07	1,837.71
7	1,252.48	0.470420	589.19	0.066320	83.06	672.26
8	2,271.45	0.470420	1,068.54	0.066320	150.64	1,219.18
9	1,895.89	0.470420	891.86	0.066320	125.74	1,017.60
10	660.65	0.470420	310.78	0.066320	43.81	354.60
-----			-----		-----	
	27,697.20		13,029.32		1,787.29	14,816.60
Close Outs (NOTE C)			11.65		1.63	13.28
			-----		-----	
			13,040.97		1,788.92	14,829.88
Summary	27,697.20		13,111.29		1,708.02	14,819.31
	-----		-----		-----	
	(0.00)		(70.32)		80.90	10.57

NOTE C

The company does not include close outs for the month on its billing register detail. However, the computer automatically includes the close outs on the billing summaries. Therefore, there is sometimes a difference in the detail register totals and the total on the summaries that are subsequently booked to the general ledger. In order to compare staff's calculation with the company summaries, we had to add in the close outs for the month. These are an average per month from the year 1999.

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

FEBRUARY						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	2,721.80	0.470420	1,280.39	0.066320	180.51	1,460.90
3	11,798.43	0.470420	5,550.22	0.061160	721.59	6,271.81
4	3,234.25	0.470420	1,521.46	0.066320	214.50	1,735.95
5	3,271.95	0.470420	1,539.19	0.066320	217.00	1,756.19
6	3,970.71	0.470420	1,867.90	0.066320	263.34	2,131.24
7	1,215.75	0.470420	571.91	0.066320	80.63	652.54
8	2,688.57	0.470420	1,264.76	0.066320	178.31	1,443.06
9	2,211.56	0.470420	1,040.36	0.066320	146.67	1,187.03
10	958.36	0.470420	450.83	0.066320	63.56	514.39
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32,071.38			15,087.02		2,066.09	17,153.11
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
-----			-----	-----	-----	-----
Summary 32,071.38			15,098.67		2,067.72	17,166.39
-----			-----	-----	-----	-----
0.00			(82.32)		90.28	7.96

MARCH						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	1,781.68	0.100000	178.17	0.066320	118.16	296.33
3	9,685.52	0.100000	968.55	0.061160	592.37	1,560.92
4	1,962.86	0.100000	196.29	0.066320	130.18	326.46
5	2,550.32	0.100000	255.03	0.066320	169.14	424.17
6	2,869.71	0.100000	286.97	0.066320	190.32	477.29
7	1,051.62	0.100000	105.16	0.066320	69.74	174.91
8	1,827.75	0.100000	182.78	0.066320	121.22	303.99
9	1,500.79	0.100000	150.08	0.066320	99.53	249.61
10	639.99	0.100000	64.00	0.066320	42.44	106.44
-----			-----	-----	-----	-----
23,870.24			2,387.02		1,533.10	3,920.12
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
-----			-----	-----	-----	-----
Summary 23,870.24			2,398.67		1,534.73	3,933.40
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0.00			(56.46)		62.86	6.40

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

APRIL			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	1,681.89	0.100000	168.19	0.066320	111.54	279.73
3	11,125.55	0.100000	1,112.56	0.061160	680.44	1,792.99
4	2,069.68	0.100000	206.97	0.066320	137.26	344.23
5	2,578.63	0.100000	257.86	0.066320	171.01	428.88
6	3,013.62	0.100000	301.36	0.066320	199.86	501.23
7	995.65	0.100000	99.57	0.066320	66.03	165.60
8	1,782.85	0.100000	178.29	0.066320	118.24	296.52
9	1,486.39	0.100000	148.64	0.066320	98.58	247.22
10	626.14	0.100000	62.61	0.066320	41.53	104.14
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	25,360.40		2,536.04		1,624.49	4,160.53
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
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Summary	25,360.40		2,547.69		1,626.12	4,173.81
			2,602.62		1,563.74	4,166.36
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	0.00		(54.93)		62.38	7.45

MAY			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	1,616.59	0.100000	161.66	0.066320	107.21	268.87
3	8,825.76	0.100000	882.58	0.061160	539.78	1,422.36
4	2,118.31	0.100000	211.83	0.066320	140.49	352.32
5	2,370.18	0.100000	237.02	0.066320	157.19	394.21
6	2,487.02	0.100000	248.70	0.066320	164.94	413.64
7	983.02	0.100000	98.30	0.066320	65.19	163.50
8	2,151.48	0.100000	215.15	0.066320	142.69	357.83
9	1,460.07	0.100000	146.01	0.066320	96.83	242.84
10	606.76	0.100000	60.68	0.066320	40.24	100.92
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	22,619.19		2,261.92		1,454.56	3,716.48
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
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Summary	22,619.19		2,273.57		1,456.19	3,729.76
			2,326.31		1,394.68	3,720.99
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	0.00		(52.74)		61.51	8.77

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

JUNE			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	1,515.49	0.100000	151.55	0.066320	100.51	252.06
3	10,288.05	0.470420	4,839.70	0.061160	629.22	5,468.92
4	1,805.78	0.100000	180.58	0.066320	119.76	300.34
5	1,876.42	0.100000	187.64	0.066320	124.44	312.09
6	2,860.71	0.100000	286.07	0.066320	189.72	475.79
7	1,006.77	0.100000	100.68	0.066320	66.77	167.45
8	1,456.60	0.100000	145.66	0.066320	96.60	242.26
9	1,367.68	0.100000	136.77	0.066320	90.70	227.47
10	524.87	0.100000	52.49	0.066320	34.81	87.30
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	22,702.37		6,081.14		1,452.53	7,533.67
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
-----			-----	-----	-----	-----
Summary	22,702.37		6,092.79		1,454.16	7,546.95
			6,138.90		1,399.78	7,538.68
-----			-----	-----	-----	-----
	(0.00)		(46.11)		54.38	8.27

JULY			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	1,374.28	0.470420	646.49	0.066320	91.14	737.63
3	7,377.49	0.470420	3,470.52	0.061160	451.21	3,921.73
4	1,597.29	0.470420	751.40	0.066320	105.93	857.33
5	1,835.25	0.470420	863.34	0.066320	121.71	985.05
6	2,359.44	0.470420	1,109.93	0.066320	156.48	1,266.41
7	663.56	0.470420	312.15	0.066320	44.01	356.16
8	1,471.88	0.470420	692.40	0.066320	97.62	790.02
9	1,259.59	0.470420	592.54	0.066320	83.54	676.07
10	480.24	0.470420	225.91	0.066320	31.85	257.76
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	18,419.02		8,664.68		1,183.48	9,848.16
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
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Summary	18,484.35		8,676.33		1,185.11	9,861.44
			8,725.40		1,139.95	9,865.35
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	(65.33)		(49.07)		45.16	(3.91)

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

AUGUST						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	1,396.68	0.100000	139.67	0.066320	92.63	232.30
3	6,903.71	0.100000	690.37	0.061160	422.23	1,112.60
4	1,864.30	0.100000	186.43	0.066320	123.64	310.07
5	1,913.74	0.100000	191.37	0.066320	126.92	318.29
6	2,638.33	0.100000	263.83	0.066320	174.97	438.81
7	790.23	0.100000	79.02	0.066320	52.41	131.43
8	1,633.10	0.100000	163.31	0.066320	108.31	271.62
9	1,294.42	0.100000	129.44	0.066320	85.85	215.29
10	491.43	0.100000	49.14	0.066320	32.59	81.73
-----			-----			
	18,925.94		1,892.59		1,219.55	3,112.14
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
-----			-----			
Summary	18,951.66		1,904.24		1,221.18	3,125.42
			1,965.09		1,168.51	3,133.60
-----			-----			
	(25.72)		(60.85)		52.67	(8.18)

SEPTEMBER						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	1,311.70	0.470420	617.05	0.066320	86.99	704.04
3	6,996.16	0.470420	3,291.13	0.061160	427.89	3,719.02
4	1,652.49	0.470420	777.36	0.066320	109.59	886.96
5	1,761.08	0.470420	828.45	0.066320	116.79	945.24
6	2,086.86	0.470420	981.70	0.066320	138.40	1,120.10
7	724.63	0.470420	340.88	0.066320	48.06	388.94
8	1,478.31	0.470420	695.43	0.066320	98.04	793.47
9	1,219.23	0.470420	573.55	0.066320	80.86	654.41
10	453.81	0.470420	213.48	0.066320	30.10	243.58
-----			-----			
	17,684.27		8,319.03		1,136.72	9,455.75
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
-----			-----			
Summary	17,727.29		8,330.68		1,138.35	9,469.03
			8,355.95		1,093.18	9,449.13
-----			-----			
	(43.02)		(25.27)		45.17	19.90

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

OCTOBER						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	1,350.65	0.470420	635.37	0.066320	89.58	724.95
3	9,008.02	0.470420	4,237.55	0.061160	550.93	4,788.48
4	1,977.46	0.470420	930.24	0.066320	131.15	1,061.38
5	1,876.18	0.470420	882.59	0.066320	124.43	1,007.02
6	2,352.30	0.470420	1,106.57	0.066320	156.00	1,262.57
7	841.16	0.470420	395.70	0.066320	55.79	451.48
8	1,527.21	0.470420	718.43	0.066320	101.28	819.71
9	1,235.37	0.470420	581.14	0.066320	81.93	663.07
10	459.95	0.470420	216.37	0.066320	30.50	246.87
			<hr/>			
20,628.30			9,703.96		1,321.59	11,025.55
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
			<hr/>			
			9,715.61		1,323.22	11,038.83
Summary	20,668.08		9,776.48		1,274.33	11,050.81
			<hr/>			
(39.78)			(60.87)		48.89	(11.98)

NOVEMBER						
Route	Therms	PGA Rate	PGA Amount	Base Rate	Base Rate Amt	Total
1	1,664.28	0.691480	1,150.82	0.066320	110.38	1,261.19
3	10,544.74	0.691480	7,291.48	0.061160	644.92	7,936.39
4	1,968.62	0.691480	1,361.26	0.066320	130.56	1,491.82
5	2,480.27	0.691480	1,715.06	0.066320	164.49	1,879.55
6	2,767.33	0.691480	1,913.55	0.066320	183.53	2,097.08
7	1,019.19	0.691480	704.75	0.066320	67.59	772.34
8	1,951.28	0.691480	1,349.27	0.066320	129.41	1,478.68
9	1,623.39	0.691480	1,122.54	0.066320	107.66	1,230.20
10	673.11	0.691480	465.44	0.066320	44.64	510.08
			<hr/>			
24,692.21			17,074.17		1,583.18	18,657.35
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
			<hr/>			
			17,085.82		1,584.81	18,670.63
Summary	24,705.14		17,145.63		1,523.34	18,668.97
			<hr/>			
(12.93)			(59.81)		61.47	1.66

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: YEAR END 12/31/2000

EXHIBIT TO AUDIT EXCEPTION 3

DECEMBER			PGA		Base	
Route	Therms	PGA Rate	Amount	Base Rate	Rate Amt	Total
1	1,778.63	0.691480	1,229.89	0.066320	117.96	1,347.85
3	10,026.21	0.691480	6,932.92	0.061160	613.20	7,546.13
4	2,217.65	0.691480	1,533.46	0.066320	147.07	1,680.54
5	2,490.97	0.691480	1,722.46	0.066320	165.20	1,887.66
6	2,730.88	0.691480	1,888.35	0.066320	181.11	2,069.46
7	931.82	0.691480	644.33	0.066320	61.80	706.13
8	2,071.34	0.691480	1,432.29	0.066320	137.37	1,569.66
9	1,744.18	0.691480	1,206.07	0.066320	115.67	1,321.74
10	724.16	0.691480	500.74	0.066320	48.03	548.77
	<u>24,715.84</u>		<u>17,090.51</u>		<u>1,587.42</u>	<u>18,677.93</u>
CLOSE OUTS (NOTE C)			11.65		1.63	13.28
			<u>17,102.16</u>		<u>1,589.05</u>	<u>18,691.21</u>
Summary	24,786.81		17,207.70		1,528.60	18,736.30
	<u>(70.97)</u>		<u>(105.54)</u>		<u>60.45</u>	<u>(45.09)</u>

AUDIT EXCEPTION 4

SUBJECT: BILLING OVER THE CAP SET BY THE COMMISSION

STATEMENT OF FACTS: When filing the flex down factor form with the Commission each month for 1999, the company used the tax factor of 1.01911. A different factor is used when billing the customers. The company uses 1.0309. This is comprised of the gross receipts rate of .025 and the regulatory assessment fee of .005. The formula used is $1/(1-(.025+.005))$.

When the company bills at the cap, the rate is calculated net of the 1.01911, but then the customer is billed the 1.0309. For example, the cap set by the Commission for January through September 2000 was .47941. The rate net of the tax factor of 1.01911 is .47042. The company is billing the customer the .47042 times a tax factor of 1.0309, which is a total of .48496. This total is over the cap.

The schedules that follows this exception shows that the residential and commercial customers were billed over the cap because of the revenue expansion tax factor in the months of January, February, July, November, and December. In the month of June, only the commercial customers were billed over the cap. Also, in the month of June, the company billed its residential and commercial customers two different rates. The rates are supposed to be the same for both. Residential customers were billed .1000 and commercial customers were billed .470420. The flex-down rate filed with the Commission for the month of June was .1000.

The industrial customers were billed over the cap because of the revenue expansion tax factor in the months of May, August, September, October, and December.

OPINION: The residential and commercial customers were billed over the cap in the amount of \$558.57 and the industrial customers were billed over the cap for \$4,105.28. However, this does not effect the revenue reported on the A-2 as it is net of taxes. It should be determined by the Commission whether a refund to the customers is due. The commercial customers were not billed the flex-down rate filed with the Commission for the month of June. A schedule showing the possible refunds from this exception is also included in the exhibit section of this report.

RECOMMENDATION: The company should make every effort to submit its flex down schedules with the correct tax factor so that the right amount can be billed to the customer. Also, the customer should be billed the rates filed with the Commission.

COMPANY: INDIANTOWN GAS CO
 TITLE: PGA REVENUES
 PERIOD: YEAR END 12/31/00

SUMMARY OF BILLING REGISTERS EXHIBIT TO AUDIT EXCEPTION 4

Column (1)	Column (2)	Column (3)	Column (4)	Column (5) Times Tax Factor(B) USED FOR FLEX DOWN RATE Col (4)times	Column (6) Times Tax Factor (C) actually billed Col (4) times	Column (7) Diff between Cap and Rate Billed (6)-(5)	Column (8) Customer Overbilled (7)* (3)
Residential	Commercial	Total	Rate Billed Customer (A)	1.01911	1.0309		
January	8,589.96	4,521.33	13,111.29	0.47042	0.47941	0.48496	72.72
February	9,628.00	5,550.44	15,178.44	0.47042	0.47941	0.48496	84.18
March	1,486.19	968.94	2,455.13	0.10000	0.10191	0.10309 (E)	
April	1,485.01	1,113.00	2,598.01	0.10000	0.10191	0.10309 (E)	
May	1,443.38	882.93	2,326.31	0.10000	0.10191	0.10309 (E)	
June	1,297.40		1,297.40	0.10000	0.10191	0.10309 (E)	
June		4,841.50	4,841.50	0.47042 (G)	0.47941	0.48496	26.85
July	5,254.72	3,470.68	8,725.40	0.47042	0.47941	0.48496	48.39
August	1,274.44	690.65	1,965.09	0.10000	0.10191	0.10309 (E)	
Sept	5,064.48	3,294.27	8,358.75	0.47042	0.47941	0.48496	46.36
Oct	5,538.24	4,237.74	9,775.98	0.47042	0.47941	0.48496 (D)	
Nov	9,854.60	7,291.03	17,145.63	0.69148	0.70469	0.71285	139.78
Dec	10,275.16	6,932.54	17,207.70	0.69148	0.70469	0.71285	140.29
<hr/>							
	61,191.58	43,795.05	104,986.63			(F)	558.57
G/L	61,081.61	43,790.48	104,872.09				=====
<hr/>							
	109.97	4.57	114.54				
<hr/>							
	109.97	4.57	114.54				
Misc JE**	(47.04)		(47.04)				
	(51.07)		(51.07)				
	(21.29)		(21.29)				
<hr/>							
Remaining Dif	(9.43)	4.57	14.00				
		Pass- Immaterial					

** Adjustments, refunds, etc. not included on A-2

(A) Rate does not include the tax factor.

(B) Rate times tax factor used by company when calculating its flex down rate to bill residential and commercial customers. Cap set by the Commission for Jan thru Sept includes tax rate is .47941. This was set in Docket No. 990003-GU, Order No. PSC-99-2443-FOF-GU. The Commission approved a midcourse correction for Oct. Nov and Dec. The approved amount including the tax rate is .70469. This was approved in Docket No. 000003-GU, PSC-00-1909-PCO-GU.

(C) Rate times tax factor actually used by company when billing the customer. Gross Receipts Rate of .025. RAF rate of .005. $1/(1-(.025+.005))=1.030928$

(D) The cap for the month of October was .70469. Therefore, not billing over cap.

(E) The cap for these months was .7941. Therefore, not billing over cap.

(F) This does not effect the revenue reported on the A-2 as it is net of taxes on the A-2. However, the customer was billed above the cap for these months.

(G) In June, the residential customers were billed at .1000 which the commercial customers were billed at .4704. See Audit Exception 5.

COMPANY: INDIANTOWN GAS CO
 TITLE: PGA REVENUES
 PERIOD: YEAR END 12/31/00

SUMMARY OF INDUSTRIAL CUSTOMER INVOICES

EXHIBIT TO AUDIT EXCEPTION 4

Months	Class	Therms Sold per Invoices to Companies	Approximate Cost of Gas**	PGA Revenue Per Invoice	Approximate Cost of Gas with Flex Down Tax Factor 1.01911	Cap which includes Tax Factor of 1.01911	Approximate Cost of Gas with Tax Factor Actual Base 1.03090	Diff betw Actually Billed and Cap	Dollar Amount of Difference
Jan	Ind. Caulkins	294,065	0.25033	73,613.29	0.25511	0.47941	0.25807		
	Ind US Gen	716,012	0.25033	179,239.28	0.25511	0.47941	0.25807		
		1,010,077		252,852.57					
Feb	Ind. Caulkins	281,243	0.30999	87,182.52	0.31591	0.47941	0.31957		
	Ind US Gen	858,108	0.30256	259,629.16	0.30834	0.47941	0.31191		
		1,139,351		346,811.68					
Mar	Ind. Caulkins	244,206	0.32818	80,144.00	0.33445	0.47941	0.33832		
	Ind US Gen	1,106,759	0.32806	363,083.36	0.33433	0.47941	0.33820		
		1,350,965		443,227.36					
April	Ind. Caulkins	273,903	0.34359	94,110.33	0.35016	0.47941	0.35421		
	Ind US Gen	734,497	0.34359	252,365.82	0.35016	0.47941	0.35421		
		1,008,400		346,476.15					
May	Ind. Caulkins	330,859	0.45518	150,600.40	0.46388	0.47941	0.46925		
	Ind US Gen	1,101,236	0.46505	512,129.80	0.47394	0.47941	0.47942	0.00001	1.51
		1,432,095		662,730.20					
June	Ind. Caulkins	254,015	0.40813	103,671.14	0.41593	0.47941	0.42074		
	Ind US Gen	404,929 (A)	0.70250	284,460.68	0.71592	0.47941	0.72420 (A)		
		658,944		388,131.82					
July	Ind. Caulkins	4,345	0.36008	1,564.55	0.36696	0.47941	0.37121		
	Ind US Gen	195,135	0.36008	70,264.21	0.36696	0.47941	0.37121		
		199,480		71,828.76					
Aug	Ind. Caulkins	0		0.00	0.00000	0.47941	0.00000		
	Ind US Gen	472,246	0.47042	222,153.96	0.47941	0.47941	0.48496	0.00555	1,232.06
		472,246		222,153.96					
Sept	Ind. Caulkins	0		0.00	0.00000	0.70469	0.00000		
	Ind US Gen	549,409	0.52934	290,824.16	0.53946	0.70469	0.54570		
		549,409		290,824.16					
Oct	Ind. Caulkins	0		0.00	0.00000	0.70469	0.00000		
	Ind US Gen	349,289	0.69148	241,526.36	0.70469	0.70469	0.71285	0.00816	1,970.07
		349,289		241,526.36					

*** Billed in October after the Mid-Course Correction took effect

COMPANY
TITLE:
PERIOD

INDIANTOWN GAS CO
PGA REVENUES
YEAR END 12/31/00

Months	Class	Therms Sold per Invoices to Companies	Approximate Cost of Gas**	PGA Revenue Per Invoice	Approximate Cost of Gas with Flex Down Tax Factor : 01911	Cap which includes Tax Factor of 1 01911	Approximate Cost of Gas with Tax Factor Actualy Base 1.03090	Diff betw Actually Billed and Cap	Dollar Amount of Difference
Nov	Ind. Caulkins	125,431	0.53579	67,204.68	0.54603	0.70469	0.55235		
	Ind US Gen.	234,268	0.53579	125,518.45	0.54603	0.70469	0.55235		
		<u>359,699</u>		<u>192,723.13</u>					
DEc	Ind. Caulkins	268,169	0.57637	154,564.58	0.58738	0.70469	0.59418		
	Ind US Gen	159,859	0.69148	110,539.30	0.70469	0.70469	0.71285	0.00816	901.64
		<u>428,028</u>		<u>265,103.86</u>					
				<u>3,724,390.01</u>					<u>4,105.28</u>
			General Ledger	<u>3,724,360.23</u>					<u>=====</u>
		Difference	Immaterial	<u>29.78</u>					<u>=====</u>

CONCLUSION

** The price per therm is a combination of Transp, Firm Transp, and Pipeline. This is a calculation of dollars divided by therms

(A) Total dollars include a penalty. Remove penalty and rate is 40566 below the cap. Addressed in audit exception 2.

AUDIT EXCEPTION 5

SUBJECT: REVENUE EXPANSION FACTOR APPLIED TO PGA REVENUES BILLED AND TO NON-FUEL RATES

STATEMENT OF FACTS:

1. Revenue Expansion Factor for the Purchased Gas Adjustment (Fuel)

As stated in Audit Exception 4, the company determines its flex down factor using a revenue expansion tax factor of 1.01911. However, it bills its customers a revenue expansion tax factor of 1.0309.

The formula used to determine the flex down factor of 1.01911 is:

$$\frac{1}{1-(\text{GRT} + \text{RAF})},$$

where GRT = Gross Receipts tax of .015, and
RAF = Regulatory Assessment fee of .00375,
 $(1/(1-(.015+.00375))).$

The formula used by the company to bill the customer for the fuel portion of 1.0309 is:

$$\frac{1}{1-(.025+.005)}$$

Where GRT = .025, and
RAF = .005, assessment fee rate is .005,

According to Wayne Makin, Regulatory Analyst in Tallahassee, the revenue expansion factor to apply to the fuel portion of the customer bill is 1.0309, and that is the rate that should be used in submitting schedules to the Commission for the Cap and the Flex-Down Factor.

2. Revenue Expansion Factor for Base Rates (Non-Fuel)

According to Wayne Makin, Regulatory Analyst in Tallahassee, the company's tariff rates for the non-fuel portion (customer charge and energy charge) of the customer bill includes the gross receipts tax of .015 and the regulatory assessment fee of .00375; which is 1.01911. The company is then allowed to increase its non-fuel total another 1% for the increased gross receipts tax.

However, the company is doing this differently. The company:

- (1) adds the non-fuel totals (which include GRT and RAF of .015 and .00375) to
- (2) the fuel total (which does not include any taxes), and
- (3) then applies .0309 to the two components of the bill.

The schedule following this exception details the methodology of how Indiantown Gas Company calculates its bills to its residential, commercial and industrial customers.

OPINIONS:

1. PGA REVENUE (Fuel)

The tax rate used to bill the customer for the fuel portion of the bill is correct. However, the company is using a different revenue expansion rate when submitting filings to the Commission to determine the cap to be used in future periods and the flex-down factors monthly than it is when billing its customers. According to Wayne Makin, Regulatory Analyst in Tallahassee, the company should be using a revenue expansion factor of 1.0309 as stated above.

2. CUSTOMER MONTHLY CHARGE AND NON-FUEL REVENUE

The company appears to be billing a portion of taxes in the base rates and then adding another .0309 to the non-fuel portion for residential, commercial and industrial customers.

The schedules that follows this exception show examples of customer bills (residential and industrial) using the company formula, and a formula staff believes would be more representative of the rates to be billed.

COMPANY PLANS: The company is in the process of preparing a filing to submit to the Commission for a complete rate restructuring. The company is also preparing a schedule for the years 1998, 1999 and 2000 showing the revenue actually billed and the revenue that should have been billed if the correct gross receipts tax and regulatory assessment fees were used for non-fuel revenue. As of June 1, 2001, the company plans to change its billing system to bill the customer the correct tax rates.

INDIANTOWN GAS COMPANY - EXHIBIT TO EXCEPTION 5

The company uses the following formula to calculate its bills to residential and commercial customers:

1. Add together
 - a. Monthly Service Charge (which already includes .015 and .00375),
 - b. Therms times non-fuel base rate (which already includes .015 and .00375), and
 - c. Fuel therms times fuel therm rate (does not include any taxes).
2. Applied to this sum is the tax rate of .0309 to determine the customers bills.

The formula used to calculate its bills to industrial customers is:

1. Add together
 - a. Therms times current purchase price for Transportation and Commodity (this current purchase price does not include any taxes), and
 - b. Therms times non fuel base rate for industrial customers (which already includes .015 and .00375)
2. Applied to this sum is the tax rate of .0309 to determine the customers bills.

COMPANY: INDIANTOWN GAS CO.
TITLE: ANALYSIS OF REVENUE EXPANSION FACTOR
PERIOD: YEAR END 12/31/00
DATE: JUNE 26, 2001

This exhibit includes the following schedules:

- A. Example of how Indiantown Gas Company is calculating its residential bills to customers.
- B. Example of Method that should be used to bill its residential and commercial customers.
- C. Example of how Indiantown Gas Company is calculating its bills to the industrial customers.
- D. Example of Method that should be used to bill its Industrial customers.

COMPANY: INDIANTOWN GAS CO.
 TITLE: ANALYSIS OF REVENUE EXPANSION FACTOR
 PERIOD: YEAR END 12/31/00
 DATE: JUNE 26, 2001

EXHIBIT TO AUDIT EXCEPTION 5

A. Example of how Indiantown Gas Company is calculating its residential bills to customers.

1. Monthly Service Charge		\$5.00	
<hr/>			
2. Quantity Per Register	5.48		
X Base Rates for Residential per tariff)	0.06632		(A) According to Wayne Makin, the GRT of 1-1/2% and RAF of .00375 are embedded in the tariff.
Total charge for Base Non Fuel Rates		0.3634336	
<hr/>			
3. PGA Rate without taxes (B)	0.47042		(B) Cap approved Jan through Sept 2000
Times Quantity	5.48		
Total PGA charge without Taxes		2.57790	
<hr/>			
4. Total Items 1 + 2 +3		7.9413352	
<hr/>			
5. Apply tax rate of .0309 to whole bill which consists of 1/(1-(GRT + RAF) 1/(1-(0.025+0.005))		0.0309	
Tax Charged the customer on Bill		0.2454	
<hr/>			
6. Total Actual Bill to Customer (Item 4+5)		8.19	
		=====	

COMPANY: INDIANTOWN GAS CO.
 TITLE: ANALYSIS OF REVENUE EXPANSION FACTOR
 PERIOD: YEAR END 12/31/00
 DATE: JUNE 26, 2001

EXHIBIT TO AUDIT EXCEPTION 5

B. Example of Method that should be used to bill its residential and commercial customers.

1. Monthly Service Charge	5.00	5.00	
Add 1% GRT which is now 2-1/2 rather than the 1-1/2 included in base rates**	0.01	0.05	
			5.05
2. Quantity of Therms	5.48		
Base Rates for Residential Per tariff	0.06632		
Total Charge for Base Rates inclusive of embedded taxes		0.36343	
3. Add: 1% for GRT which is now 2-1/2 rather than the 1-1/2 Included in base rates**	0.01		
		0.00363	
4. Total base rates inclusive of taxes (items 2+3)			0.37
5. PGA Rate Without Taxes	0.47042		
Times Quantity	5.48		
PGA Charge without Taxes		2.5779016	2.58
6. Tax on PGA Only .025 + .005		0.0309	
1/(1-(GRT + RAF)			
1/(1-(0.025+0.005))	Tax on PGA revenue	0.08	0.08
7. Total to be billed customer(items 1+4+5+6)			8.07
Total actually billed customer above			8.19
Difference			(0.12)

**Only add in the GRT extra. Because the company has not applied for a tariff change we believe that the RAF factor cannot be changed unless the company comes in for a change.

COMPANY: INDIANTOWN GAS CO.
 TITLE: ANALYSIS OF REVENUE EXPANSION FACTOR
 PERIOD: YEAR END 12/31/00
 DATE: JUNE 26, 2001

EXHIBIT TO AUDIT EXCEPTION 5

C. Example of how Indiantown Gas Company is calculating its bills to the industrial customers.

	Therms	Combined Transp and Commodity Current Rate	Therms X Current Rate	
CURRENT PURCHASES				
Transportation and Commodity (PGA)	716,012	0.25033	179,239.28	
PLUS Customer Charge - Tariff			4,500.00	E (E) According to Wayne Makin, the GRT of 1-1/2% and RAF of .00375 are embedded in the tariff.
PLUS Tariff Energy Charge	716012	0.0452	32,363.74	E
Total			216,103.03	
GRT and RAF			0.0309	
GRT AND RAF TAX Bill Without Tax			6,677.58 216,103.03	
TOTAL BILLED			222,780.61	

D. Example of Method that should be used to bill its Industrial customers.

	Therms	Combined Transp and Commodity Current Rate	Therms X Current Rate	Extension
CURRENT PURCHASES				
Transportation and Commodity (PGA)	716,012	0.25033	179,239.28	179,239.28
Times Tax Factor			0.0309	
			5,538.49	5,538.49
PLUS Customer Charge - Tariff			4,500.00	E
PLUS Tariff Energy Charge	716012	0.0452	32,363.74	E
Total			36,863.74	36,863.74
Additional 1% RAF			0.01	
			368.64	368.64
Total to be Billed under this Method				222,010.16
Total Billed under the Company Method				222,780.61
			Difference	(770.45)

EXHIBITS

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

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

FOR THE PERIOD OF: JAN 2000 Through DEC 2000

	CURRENT MONTH:		DECEMBER 2000		PERIOD TO DATE			
	ACTUAL	FLEXDOWN ESTIMATE	DIFFERENCE		ACTUAL	FLEXDOWN ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORATION COST	257,938	207,909	(50,029)	(24.06)	3,682,068	3,636,836	(45,232)	(1.24)
3 TOTAL	257,938	207,909	(50,029)	(24.06)	3,682,068	3,636,836	(45,232)	(1.24)
4 FUEL REVENUES (NET OF REVENUE TAX)	282,312	207,909	(74,403)	(35.79)	3,710,142	3,636,836	(73,306)	(2.02)
5 TRUE-UP (COLLECTED) OR REFUNDED	(26)	(26)	0	0.00	(312)	(312)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	282,286	207,883	(74,403)	(35.79)	3,709,830	3,636,524	(73,306)	(2.02)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	24,348	(26)	(24,374)	93,745.69	27,762	(312)	(28,074)	8,998.04
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	44	(3)	(47)	1,566.67	5	(12)	(17)	141.67
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	(4,121)	(480)	3,641	(758.54)	(7,782)	(471)	7,311	(1,552.23)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	26	26	0	0.00	312	312	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)	20,297	(483)	(20,780)	4,302.25	20,297	(483)	(20,780)	4,302.25
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(4,121)	(480)	(3,641)	758.54				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	20,253	(480)	20,733	(4,319.35)				
14 TOTAL (12+13)	16,132	(960)	17,092	(1,780.40)				
15 AVERAGE (50% OF 14)	8,066	(480)	8,546	(1,780.42)				
16 INTEREST RATE - FIRST DAY OF MONTH	6.65000%	6.48000%	0.17000%	2.62				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	6.50000%	6.48000%	0.02000%	0.31				
18 TOTAL (16+17)	13.15000%	12.96000%	0.19000%	1.47				
19 AVERAGE (50% OF 18)	6.58000%	6.48000%	0.10000%	1.54				
20 MONTHLY AVERAGE (19/12 Months)	0.54833%	0.54000%	0.00833%	1.54				
21 INTEREST PROVISION (15x20)	44	(3)	47	(1,566.67)				

NOTES:

Note 1 - Period-to-date Flexdown Estimate reflects eight months actual (Jan 00 - Aug 00) and Flex-down Estimate (Sep 00 - Dec 00).

Company Indiantown
 Title True-up & Interest Calculations
 Period Year ended 12/31/00
 Auditor RKY
 Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

REVISED FOR AUDIT EXCEPTIONS 1, 2 AND 3

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	Month 1	5.6000%
	Month 2	5.8000%
	Month 3	5.8000%
	Month 4	6.0700%
	Month 5	6.1800%
	Month 6	6.5700%

Interest- first day reporting	Month 1	6.5800%
	Month 2	6.5000%
	Month 3	6.4800%
	Month 4	6.5000%
	Month 5	6.4900%
	Month 6	6.5000%

Interest- first day reporting of subsequent month

INTEREST RATES 0.0658

Interest- first day reporting of subsequent month INTEREST RATES 6.6500%

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Beginning	5.600%	5.800%	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.500%
Ending	5.800%	5.800%	6.070%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.500%	6.650%
Total	11.400%	11.600%	11.870%	12.260%	12.750%	13.150%	13.090%	12.980%	12.980%	12.990%	12.990%	13.150%	
Average	5.700%	5.800%	5.935%	6.125%	6.375%	6.575%	6.540%	6.490%	6.490%	6.495%	6.495%	6.575%	Total 12 Months
Monthly Average	0.475%	0.483%	0.495%	0.510%	0.531%	0.548%	0.545%	0.541%	0.541%	0.541%	0.541%	0.548%	
CALCULATION OF TRUE-UP													
TOTAL GAS REVENUES	265,964	361,990	445,653	349,069	665,056	275,074	80,554	224,119	299,180	251,302	209,869	282,312	3,710,142
AUDIT EXCEPTIONS 2 and 3		(47)	(51)			(21)						(725)	(844)
Prior True-up - Nota a	26	26	26	26	26	26	26	26	26	26	26	26	312
Total gas revenue to current period	265,990	361,969	445,628	349,095	665,082	275,079	80,580	224,145	299,206	251,328	209,895	281,613	3,709,610
Gas Cost	256,684	352,607	446,830	350,702	673,855	277,124	75,167	239,934	266,599	266,174	198,454	257,938	3,682,068
True-up this period	9,306	9,362	(1,202)	(8,773)	(8,773)	(2,045)	5,413	(15,789)	12,607	(14,846)	11,441	23,675	27,542
Interest provision	(17)	28	48	43	18	(11)	(2)	(31)	(39)	(48)	(56)	40	(24)
True-up & interest beg Note (b)	(7,782)	1,137	10,501	9,322	7,733	(1,049)	(3,131)	2,253	(13,592)	(1,051)	(15,969)	(4,609)	(7,782)
AUDIT EXCEPTION 1	(344)												(344)
Prior true-up coll refunded	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(312)
FGT PGA TRUE UP ADJ													
Rate Case Refund Balance													OVER RECOVERY
Total net true-up	1,137	10,501	9,322	7,733	(1,049)	(3,131)	2,253	(13,592)	(1,051)	(15,969)	(4,609)	19,079	19,079
True-up for the month CO FILING	1,483	10,898	9,770	8,183	(596)	(2,655)	2,732	(13,111)	(567)	(15,482)	(4,121)	20,298	20,298
Difference	(346)	(397)	(448)	(450)	(453)	(476)	(479)	(481)	(484)	(487)	(488)	(1,219)	(1,219)
CALCULATION OF INTEREST													
Beginning true up and int	(8,126)	1,137	10,501	9,322	7,733	(1,049)	(3,131)	2,253	(13,592)	(1,051)	(15,969)	(4,609)	(4,808)
Ending true-up before int	1,154	10,473	9,273	7,689	(1,066)	(3,120)	2,266	(13,562)	(1,011)	(15,923)	(4,554)	19,040	19,040
Total	(6,972)	11,611	19,775	17,012	6,666	(4,169)	(876)	(11,309)	(14,604)	(16,974)	(20,523)	14,430	
Average true up	(3,486)	5,805	9,887	8,506	3,333	(2,084)	(438)	(5,654)	(7,302)	(8,487)	(10,261)	7,215	
Interest rate per above	0.48%	0.48%	0.49%	0.51%	0.53%	0.55%	0.55%	0.54%	0.54%	0.54%	0.54%	0.55%	
Interest per staff	(17)	28	49	43	18	(11)	(2)	(31)	(39)	(46)	(56)	40	
True-up for the month per a-2	(15)	30	51	46	20	(9)	0	(28)	(37)	(43)	(54)	44	
	(2)	(2)	(2)	(3)	(2)	(2)	(2)	(3)	(2)	(3)	(2)	(4)	

NOTE 4 THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER PSC-99-2443-FOF-GU UNDERRECOVERY OF 315 /12 = 26

NOTE 6 THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF WAS TRACED TO LAST 12 MONTH PERIOD FILING - ENDING TRUE UP DOCKET 000003-GU AFAD NO 00-003-4-3 WP 40PG 2

29

COMPANY:
TITLE:
PERIOD:

INDIANTOWN GAS COMPANY
ADJUSTMENTS TO SCHEDULE A-2
YEAR ENDED DECEMBER 31,2000

Detail of Revised A-2 True Up Schedule

Month	Audit Exception 1 Increase Under Recovery	Audit Exception 2 Decrease Revenue on A-2	Audit Exception 3 Decrease Revenue on A-2	TOTAL
January	(344.00)			(344.00)
February		(47.04)		(47.04)
March		(51.07)		(51.07)
April				0.00
May				0.00
June		(21.44)		(21.44)
July				0.00
August				0.00
September				0.00
October				0.00
November				0.00
December			(724.94)	(724.94)
	(344.00)	(119.55)	(724.94)	(1,188.49)
		Interest		(24.00)
				(1,212.49)

NOT INCLUDED ON THE REVISED A-2

Detail of Audit Exceptions if Refunds were Advised by the Commission

Month	Audit Exception 4 Possible Refund Res and Comm	Audit Exception 4 Possible Refund Industrial	Audit Exception 5 Possible Refund All	Total
January	72.72		To be	72.72
February	84.18		Determined	84.18
March				0.00
April				0.00
May		1.51		1.51
June	26.85			26.85
July	48.39			48.39
August		1,232.06		1,232.06
September	46.36			46.36
October		1,970.07		1,970.07
November	139.78			139.78
December	140.29			140.29
		901.64		901.64
	558.57	4,105.28	0.00	4,663.85