

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: January 9, 2003
TO: Division of Competitive Markets and Enforcement (Makin)
FROM: Division of Auditing and Safety (Vandiver)
RE: **Docket No.** 030003-GU; **Company Name:** Indiantown Gas Company; **Audit Purpose:** Purchased Gas Company; **Audit Control No.** 02-268-4-1

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 the Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV/jcp
Attachment

cc: Division of Auditing and Safety (Hoppe, District Offices, File Folder)
Division of the Commission Clerk and Administrative Services (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

Mr. Bryan J. Powers
Indiantown Gas Company
P. O. Box 8
Indiantown, FL 34956

DOCUMENT NUMBER-DATE
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FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF AUDITING AND SAFETY
BUREAU OF AUDITING

Miami District Office

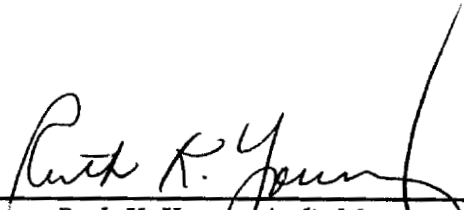
INDIANTOWN GAS COMPANY

PURCHASED GAS ADJUSTMENT

ELEVEN MONTHS ENDED NOVEMBER 30, 2001

AUDIT CONTROL NO. 02-268-4-1

DOCKET NUMBER 020003-GU



Ruth K. Young, Audit Manager



Kathy L. Welch
Miami District Office Audit Supervisor

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**DIVISION OF AUDITING AND SAFETY
AUDITOR'S REPORT**

January 6, 2003

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 eleven months ending November 30, 2001. These schedules were prepared by the utility as part of its Purchased Gas Adjustment true-up filings in Docket No. 020003-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.

Verified - 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 factor 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 11-months ending November 30 2002. Examined all invoices.

True-up and Interest: Recalculated the true-up and interest amount for the 11 months ending November 30, 2002. Traced interest rates to the Wall Street Journal.

AUDIT EXCEPTION 1

SUBJECT: ALERT DAY CHARGES

STATEMENT OF FACTS:

The company does not include alert day charges paid to the natural gas provider in expenses in the A-2 schedule, or include these charges billed to the customers in the A-2 revenues. January 2, 2002 was an alert day. The documentation showing the overage in volume did not agree with the amounts booked in the general ledger.

<u>Date</u>	<u>Scheduled Volume</u>	<u>Actual Volume</u>	<u>Difference Alert Day</u>	<u>Alert Day Price</u>	<u>Alert Penalty</u>
Amount Booked by Company					
January 2	200	338	138	5.5518	\$ 766.15
Amount in Documentation					
January 2	200	<u>1086</u>	<u>886</u>	<u>5.5518</u>	<u>\$4,918.89</u>
Difference		<u>748</u>	<u>748</u>	<u>5.5518</u>	<u>\$4,152.74</u>

The documentation showed that the alert day charges booked by the company in the alert day expense account were less than the actual charges in the amount of \$4,152.74, and the natural gas expense account that flows through the A-2 was more than the actual charges.

OPINION: The cost of gas in the month of February should be reduced by \$4,152.74 on the A-2 schedule. A revised true-up for eleven months ending November 30, 2002 including this adjustment, is in the exhibit section of this report.

The company needs to back bill the industrial customer for the amounts uncollected from it, and make the following journal entries to the books:

	<u>Debit</u>	<u>Credit</u>
Alert Day Expense, Account 799.3 (does not flow through to the PGA)	\$4,152.74	
Natural Gas Purchases, Account 799 (flows through the PGA)		\$4,152.74

Accounts Receivable, Account 142.1 \$4,152.74
(does not flow through the PGA)

Industrial Sales - Alert Day, Account 482.7
(does not flow through the PGA) \$4,152.74

AUDIT EXCEPTION 2

SUBJECT: RECALCULATION OF REVENUE

STATEMENT OF FACTS: Each month the company prints out a summary of the month's billing by route. The summaries for each route include the therms, service charge, PGA charges, base charges, tax and total. This is the only schedule where the PGA charges are detailed separately.

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

	<u>PGA</u>	<u>BASE</u>	<u>TOTAL</u>
Company Summary	\$87,691.57	\$15,963.62	\$103,654.62
Recalculation	<u>86,995.17</u>	<u>16,634.60</u>	<u>103,629.77</u>
Difference	\$ 696.40	(\$ 671.55)	\$ 24.85

OPINION: The A-2 schedules should be revised to reflect the revenue adjustments above. A revised A-2 schedule for the eleven months ending November 30, 2001 which reflects this exception and all other exceptions in this report is included in the exhibit section of this report.

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: 11 MONTHS ENDED NOVEMBER 30, 2002

EXHIBIT TO AUDIT EXCEPTION

The results of the calculation below show that the fuel revenue reported is higher than it should be and the base revenue is lower than it should be. The fuel revenue should be reduced by \$696.40 and the base revenue increased by \$671.55.

MONTH	NOTE A	NOTE A	NOTE A	RECALCULATE	RECALCULATE	RECALCULATE	DIFFERENCE	DIFFERENCE	TOTAL
	FUEL	NON FUEL	TOTAL	FUEL	NON FUEL	TOTAL	IN FUEL	IN NON FUEL	DIFFERENCE
January	10,020.44	1,974.96	11,995.40	9,929.48	2,053.89	11,983.37	90.96	(78.93)	12.03
February	5,639.64	1,558.48	7,198.12	5,560.70	1,633.37	7,194.06	78.94	(74.89)	4.06
March	8,018.13	1,801.88	9,820.01	7,951.71	1,868.56	9,820.27	66.42	(66.68)	(0.26)
April	9,301.88	1,502.42	10,804.30	9,235.88	1,568.51	10,804.39	66.00	(66.09)	(0.09)
May	4,923.30	1,272.36	6,195.66	4,843.68	1,331.15	6,174.83	79.62	(58.79)	20.83
June	5,319.89	1,382.95	6,702.84	5,263.91	1,438.47	6,702.38	55.98	(55.52)	0.46
July	9,528.48	1,193.99	10,722.47	9,487.96	1,240.91	10,728.87	40.52	(46.92)	(6.40)
August	8,884.43	1,309.00	10,193.43	8,824.90	1,367.57	10,192.47	59.53	(58.57)	0.96
September	7,030.78	1,163.45	8,194.23	6,988.84	1,213.96	8,202.80	41.94	(50.51)	(8.57)
October	5,996.94	1,172.58	7,169.52	5,947.27	1,220.39	7,167.66	49.67	(47.81)	1.86
November	13,027.66	1,630.98	14,658.64	12,960.85	1,697.82	14,658.67	66.81	(66.84)	(0.03)
	<u>87,691.57</u>	<u>15,963.05</u>	<u>103,654.62</u>	<u>86,995.17</u>	<u>16,634.60</u>	<u>103,629.77</u>	<u>696.40</u>	<u>(671.55)</u>	<u>24.85</u>

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The monthly detail schedules are on the next pages.
 NOTE A According to company billing summaries.

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: 11 MONTHS ENDED NOVEMBER 30, 2002

EXHIBIT TO AUDIT EXCEPTION

NOTE B JANUARY Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total		
1	2,821.79	0.310000	874.75	0.066320	187.14	1,061.90		
3	15,101.71	0.310000	4,681.53	0.061660	931.17	5,612.70		
4	2,486.85	0.310000	770.92	0.066320	164.93	935.85		
5	2,534.19	0.310000	785.60	0.066320	168.07	953.67		
6	2,668.42	0.310000	827.21	0.066320	176.97	1,004.18		
7	1,073.14	0.310000	332.67	0.066320	71.17	403.84		
8	2,224.06	0.310000	689.46	0.066320	147.50	836.96		
9	1,883.70	0.310000	583.95	0.066320	124.93	708.87		
10	1,204.09	0.310000	373.27	0.066320	79.86	453.12		
99	32.62	0.310000	10.11	0.066320	2.16	12.28		
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32,030.57						9,929.48	2,053.89	11,983.37

NOTE B Route 3 is the commercial customers. All the rest are residential.

FEBRUARY Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total		
1	1,926.39	0.220000	423.81	0.066320	127.76	551.56		
3	9,212.77	0.220000	2,026.81	0.061660	568.06	2,594.87		
4	2,611.38	0.220000	574.50	0.066320	173.19	747.69		
5	2,038.93	0.220000	448.56	0.066320	135.22	583.79		
6	3,592.28	0.220000	790.30	0.066320	238.24	1,028.54		
7	849.09	0.220000	186.80	0.066320	56.31	243.11		
8	2,097.93	0.220000	461.54	0.066320	139.13	600.68		
9	1,758.09	0.220000	386.78	0.066320	116.60	503.38		
10	1,153.50	0.220000	253.77	0.066320	76.50	330.27		
99	35.54	0.220000	7.82	0.066320	2.36	10.18		
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25,275.90						5,560.70	1,633.37	7,194.06

MARCH Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total		
1	1,908.51	0.272110	519.32	0.066320	126.57	645.90		
3	14,907.14	0.272110	4,056.38	0.061660	919.17	4,975.56		
4	2,136.18	0.272110	581.28	0.066320	141.67	722.95		
5	2,155.48	0.272110	586.53	0.066320	142.95	729.48		
6	2,886.92	0.272110	785.56	0.066320	191.46	977.02		
7	1,039.62	0.272110	282.89	0.066320	68.95	351.84		
8	1,995.49	0.272110	542.99	0.066320	132.34	675.33		
9	1,345.71	0.272110	366.18	0.066320	89.25	455.43		
10	836.63	0.272110	227.66	0.066320	55.49	283.14		
99	10.72	0.272110	2.92	0.066320	0.71	3.63		
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29,222.40						7,951.71	1,868.56	9,820.27

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: 11 MONTHS ENDED NOVEMBER 30, 2002

EXHIBIT TO AUDIT EXCEPTION

APRIL Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,784.05	0.379080	676.30	0.066320	118.32	794.62
3	10,152.07	0.379080	3,848.45	0.061660	625.98	4,474.42
4	2,200.34	0.379080	834.10	0.066320	145.93	980.03
5	1,959.43	0.379080	742.78	0.066320	129.95	872.73
6	2,858.93	0.379080	1,083.76	0.066320	189.60	1,273.37
7	1,045.90	0.379080	396.48	0.066320	69.36	465.84
8	2,171.38	0.379080	823.13	0.066320	144.01	967.13
9	1,366.51	0.379080	518.02	0.066320	90.63	608.64
10	825.32	0.379080	312.86	0.066320	54.74	367.60
99	0.00	0.379080	0.00	0.066320	0.00	0.00
	24,363.93		9,235.88		1,568.51	10,804.39

MAY Routh	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,781.19	0.234700	418.05	0.066320	118.13	536.17
3	8,057.15	0.234700	1,891.01	0.061660	496.80	2,387.82
4	2,111.73	0.234700	495.62	0.066320	140.05	635.67
5	2,085.28	0.234700	489.42	0.066320	138.30	627.71
6	2,442.18	0.234700	573.18	0.066320	161.97	735.15
7	864.89	0.234700	202.99	0.066320	57.36	260.35
8	1,612.74	0.234700	378.51	0.066320	106.96	485.47
9	1,025.86	0.234700	240.77	0.066320	68.04	308.80
10	633.11	0.234700	148.59	0.066320	41.99	190.58
99	23.61	0.234700	5.54	0.066320	1.57	7.11
	20,637.74		4,843.68		1,331.15	6,174.83

JUNE Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,116.12	0.234700	261.95	0.066320	74.02	335.97
3	10,508.30	0.234700	2,466.30	0.061660	647.94	3,114.24
4	2,034.39	0.234700	477.47	0.066320	134.92	612.39
5	1,724.31	0.234700	404.70	0.066320	114.36	519.05
6	2,587.18	0.234700	607.21	0.066320	171.58	778.79
7	804.97	0.234700	188.93	0.066320	53.39	242.31
8	1,738.22	0.234700	407.96	0.066320	115.28	523.24
9	1,093.58	0.234700	256.66	0.066320	72.53	329.19
10	777.20	0.234700	182.41	0.066320	51.54	233.95
99	43.99	0.234700	10.32	0.066320	2.92	13.24
	22,428.26		5,263.91		1,438.47	6,702.39

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: 11 MONTHS ENDED NOVEMBER 30, 2002

EXHIBIT TO AUDIT EXCEPTION

JULY Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,382.28	0.490000	677.32	0.066320	91.67	768.99
3	9,283.21	0.490000	4,548.77	0.061660	572.40	5,121.18
4	1,432.52	0.490000	701.93	0.066320	95.00	796.94
5	1,508.40	0.490000	739.12	0.066320	100.04	839.15
6	2,354.03	0.490000	1,153.47	0.066320	156.12	1,309.59
7	664.92	0.490000	325.81	0.066320	44.10	369.91
8	1,289.24	0.490000	631.73	0.066320	85.50	717.23
9	924.72	0.490000	453.11	0.066320	61.33	514.44
10	493.93	0.490000	242.03	0.066320	32.76	274.78
99	29.94	0.490000	14.67	0.066320	1.99	16.66
	19,363.19		9,487.96		1,240.91	10,728.87

AUGUST Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,669.40	0.415660	693.90	0.066320	110.71	804.62
3	8,686.00	0.415660	3,610.42	0.061660	535.58	4,146.00
4	2,079.78	0.415660	864.48	0.066320	137.93	1,002.41
5	1,769.52	0.415660	735.52	0.066320	117.35	852.87
6	2,548.20	0.415660	1,059.18	0.066320	169.00	1,228.18
7	886.38	0.415660	368.43	0.066320	58.78	427.22
8	1,732.90	0.415660	720.30	0.066320	114.93	835.22
9	1,154.57	0.415660	479.91	0.066320	76.57	556.48
10	691.47	0.415660	287.42	0.066320	45.86	333.27
99	12.83	0.415660	5.33	0.066320	0.85	6.18
	21,231.05		8,824.90		1,367.57	10,192.46

SEPTEMBER Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,367.96	0.370000	506.15	0.066320	90.72	596.87
3	8,313.53	0.370000	3,076.01	0.061660	512.61	3,588.62
4	1,708.64	0.370000	632.20	0.066320	113.32	745.51
5	1,572.81	0.370000	581.94	0.066320	104.31	686.25
6	2,318.77	0.370000	857.94	0.066320	153.78	1,011.73
7	588.63	0.370000	217.79	0.066320	39.04	256.83
8	1,480.13	0.370000	547.65	0.066320	98.16	645.81
9	950.81	0.370000	351.80	0.066320	63.06	414.86
10	573.47	0.370000	212.18	0.066320	38.03	250.22
99	14.00	0.370000	5.18	0.066320	0.93	6.11
	18,888.75		6,988.84		1,213.96	8,202.80

COMPANY: INDIANTOWN GAS CO.
 TITLE: REVENUE RECALCULATION
 PERIOD: 11 MONTHS ENDED NOVEMBER 30, 2002

EXHIBIT TO AUDIT EXCEPTION

OCTOBER Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	1,392.56	0.312700	435.45	0.066320	92.35	527.81
3	8,789.40	0.312700	2,748.45	0.061660	541.95	3,290.40
4	1,530.47	0.312700	478.58	0.066320	101.50	580.08
5	1,399.10	0.312700	437.50	0.066320	92.79	530.29
6	2,275.80	0.312700	711.64	0.066320	150.93	862.57
7	709.76	0.312700	221.94	0.066320	47.07	269.01
8	1,359.19	0.312700	425.02	0.066320	90.14	515.16
9	954.23	0.312700	298.39	0.066320	63.28	361.67
10	584.86	0.312700	182.89	0.066320	38.79	221.67
99	23.71	0.312700	7.41	0.066320	1.57	8.99
	<u>19,019.08</u>		<u>5,947.27</u>		<u>1,220.39</u>	<u>7,167.65</u>

NOVEMBER Route	Co. Summ Therms	Co. Summ PGA Rate	Recalculate PGA Amount	Tariff Base Rate	Recalculat Base Rate Amount	Total
1	2,025.85	0.490000	992.67	0.066320	134.35	1,127.02
3	12,100.23	0.490000	5,929.11	0.061660	746.10	6,675.21
4	2,403.57	0.490000	1,177.75	0.066320	159.40	1,337.15
5	1,966.87	0.490000	963.77	0.066320	130.44	1,094.21
6	2,999.04	0.490000	1,469.53	0.066320	198.90	1,668.43
7	899.14	0.490000	440.58	0.066320	59.63	500.21
8	1,875.61	0.490000	919.05	0.066320	124.39	1,043.44
9	1,361.68	0.490000	667.22	0.066320	90.31	757.53
10	818.73	0.490000	401.18	0.066320	54.30	455.48
99	0.00	0.490000	0.00	0.066320	0.00	0.00
	<u>26,450.72</u>		<u>12,960.85</u>		<u>1,697.82</u>	<u>14,658.68</u>

AUDIT DISCLOSURE 1

SUBJECT: NOVEMBER IMBALANCES

STATEMENT OF FACTS: The November 2002 imbalances were not included in the A-2 expenses because Indiantown Gas Company is not billed for imbalances until a month later. The company estimates a debit to fuel expense of \$10,000 on its December bill from the supplier. It expects to receive the invoice from its gas supplier around January 10, 2003.

OPINION: This invoice needs to be reviewed and the amount taken into account when calculating the final true up to the customers.

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2
(REVISED 7/25/02)

FOR THE PERIOD OF: JAN 2002 Through DEC 2002

	CURRENT MONTH:				PERIOD TO DATE			
	NOVEMBER 2002		DIFFERENCE		ACTUAL	FLEXDOWN ESTIMATE	DIFFERENCE	
	ACTUAL	FLEXDOWN ESTIMATE	AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	197,092	44,408	(152,684)	(343.82)	878,354	808,543	(69,811)	(8.63)
3 TOTAL	197,092	44,408	(152,684)	(343.82)	878,354	808,543	(69,811)	(8.63)
4 FUEL REVENUES (NET OF REVENUE TAX)	211,217	44,408	(166,809)	(375.63)	916,693	808,543	(108,150)	(13.38)
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(4,719)	(4,719)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+) OR (-) LINE 5)	210,788	43,979	(166,809)	(379.29)	911,974	803,824	(108,150)	(13.45)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	13,696	(429)	(14,125)	3,292.54	33,620	(4,719)	(38,339)	812.44
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	81	(1)	(82)	8,200.00	814	(11)	(825)	7,500.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	51,923	(512)	(52,435)	10,241.21	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	4,719	4,719	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)	66,129	(513)	(66,642)	12,990.64	66,129	(513)	(66,642)	12,990.61
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	51,923	(512)	52,435	(10,241.21)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7.5)	66,048	(512)	66,560	(13,000.00)				
14 TOTAL (12+13)	117,971	(1,024)	118,995	(11,620.61)				
15 AVERAGE (50% OF 14)	58,988	(512)	59,498	(11,620.70)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.65000%	1.65000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.65000%	1.65000%	0.00000%	0.00				
18 TOTAL (16+17)	3.30000%	3.30000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.65000%	1.65000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.13750%	0.13750%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	81	(1)	82	(8,200.00)				

NOTES:

7-25-02 REVISION DUE TO JAN 02 BEGINNING BALANCE ADJUSTMENT PURSUANT TO AUDIT CONTROL No. 02-032-4-4
EXCEPTIONS #1 & #2

REVISED FOR AUDIT EXCEPTIONS

Company: Indiantown
 Title: True-up & Interest Calculations
 Period: Year ended 11/30/02
 Auditor: RKY
 Workpaper #40

Interest Rates per Wall Street Journal Commercial Paper

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	January 02	1.7800%
	February	1.7700%
	March	1.7500%
	April	1.8000%
	May	1.7500%
	June	1.7700%

Interest- first day reporting	July	1.7500%
	August	1.7300%
	September	1.7100%
	October	1.7600%
	November	1.8500%
	December 02	1.3000%

Interest- first day reporting of subsequent month

Interest- first day reporting of subsequent m January 03

INTEREST RATES	July	1.7500%
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INTEREST RATES	January 03	
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	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Beginning	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.780%	1.850%		
Ending	1.770%	1.750%	1.800%										
Total	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	0.000%	
Average	1.775%	1.780%	1.775%	1.775%	1.760%	1.780%	1.740%	1.720%	1.735%	1.705%	1.475%	0.000%	Total 11 Months
Monthly Average	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.000%	
CALCULATION OF TRUE-UP													
TOTAL GAS REVENUES	117,959	39,527	52,455	67,435	180,448	124,374	38,032	35,988	9,141	40,117	211,217		916,893
AUDIT EXCEPT 2	91	79	66	66	80	58	41	60	42	50	67		896
Prior True-up - Note a	(429)	(429)	(429)	(429)	(429)	(429)	(429)	(429)	(429)	(429)	(429)		(4,719)
Total gas revenue to current period	117,621	39,177	52,092	67,072	180,099	124,001	37,644	35,819	8,754	39,738	210,855	0	912,670
Gas Cost	115,537	39,018	55,809	64,000	134,218	141,235	36,818	22,549	8,043	64,035	197,092		878,354
AUDIT EXCEPT 1	(4,153)	0	0	0	0	0	0	0	0	0	0		(4,153)
Total cost with exceptions	111,384	39,018	55,809	64,000	134,218	141,235	36,818	22,549	8,043	64,035	197,092	0	874,201
True-up this period	6,237	159	(3,717)	3,072	45,881	(17,234)	826	13,070	711	(24,297)	13,783	0	38,469
Interest provision	45	50	48	49	85	107	94	104	115	97	78	0	872
True-up & interest beg Note (b)	26,976	33,687	34,324	31,085	34,635	81,029	64,331	65,679	79,282	80,537	56,786	0	26,976
Prior true-up coll. refunded	429	429	429	429	429	429	429	429	429	429	429	0	4,719
FGT PGA TRUE UP ADJ													
Rate Case Refund Balance													
Total net true-up	33,687	34,324	31,085	34,635	81,029	64,331	65,679	79,282	80,537	56,786	71,036	0	71,036
True-up for the month CO. FILING	29,440	29,993	26,681	30,158	76,466	59,704	61,007	74,543	75,750	51,923	66,128		66,128
Difference	4,247	4,331	4,404	4,477	4,563	4,627	4,672	4,739	4,787	4,843	4,907	0	4,907
CALCULATION OF INTEREST													
Beginning true up and int.	26,976	33,687	34,324	31,085	34,635	81,029	64,331	65,679	79,282	80,537	56,786	0	Overrecovery
Ending true-up before int	33,642	34,274	31,037	34,586	80,944	64,224	65,585	78,178	80,422	56,669	70,958	0	
Total	60,618	67,961	65,361	65,671	115,579	145,253	129,916	144,857	159,703	137,206	127,724	0	
Average true up	30,309	33,981	32,681	32,836	57,789	72,627	64,958	72,428	79,852	68,603	63,862	0	
Interest rate per above	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.12%		
Interest per staff	45	50	48	49	85	107	94	104	115	97	78	0	
True-up for the month per WP	42	44	42	42	78	100	88	97	109	91	81	0	
	3	6	6	7	7	7	6	7	6	6	(3)	0	

Source: Company prepared schedule A-2

NOTE A

NOTE A - Company used interest rate of 1.65% for December 02. Staff used 1.30% for December 02 according to the Wall Street Journal. The difference of \$6.00 is immaterial.

NOTE A

THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER PSC- 01-2370-FOF-GU UNDERRECOVERY OF 5152/12= 429.33 rounded.

NOTE B

THE TRUE UP AND INTEREST BEGINNING TOTAL AMOUNT OF WAS TRACED TO LAST 12 MONTH PERIOD FILING - ENDING TRUE UP DOCKET 020003-GU AFAD NO. 01-064-4-2 WP 40. The beginning true up used here is adjusted for the prior staff audit exceptions. The company had filed an ending true up at 12/31/01 of 27,714. Staff's exceptions changed this to \$26,976, which the company used as beginning for 1/1/01.

COMPANY:
 TITLE:
 PERIOD:
 DATE:

INDIANTOWN GAS COMPANY
 SUMMARY OF ADJUSTMENTS
 JANUARY 1 THROUGH NOVEMBER 30, 2002
 DECEMBER 31, 2002

COST OF GAS		
DR	CR	TOTAL

EXCEPTION 1
 January

0.00	4152.74	4,152.74
		=====

REVENUES		
DR	CR	TOTAL

EXCEPTION 2
 January
 February
 March
 April
 May
 June
 July
 August
 September
 October
 November

90.96	0.00	90.96
78.94	0.00	78.94
66.42	0.00	66.42
66.00	0.00	66.00
79.62	0.00	79.62
55.98	0.00	55.98
40.52	0.00	40.52
59.53	0.00	59.53
41.94	0.00	41.94
49.67	0.00	49.67
66.84	0.00	66.84
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696.42		696.42