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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment)
True-Up)

COMMISSION
DOCKET NO. 030003-GU
CLERA

In Re: Petition of Indiantown Gas)
Company for Approval of Transition)
Cost Recovery Charge and for)
Approval of Final Purchased Gas)
Adjustment True-Up Credit)

DOCKET NO. 030402 -GU
FILED: MAY 28, 2003

PETITION OF INDIANTOWN GAS COMPANY FOR APPROVAL OF
TRANSITION COST RECOVERY CHARGE AND FOR APPROVAL
OF FINAL PURCHASED GAS ADJUSTMENT TRUE-UP CREDIT

Indiantown Gas Company (the "Company"), pursuant to Rule 28-106.201, Florida Administrative Code ("F.A.C."), Rules 25-9.004 and 25-9.005, F.A.C., and Sections 366.03, 366.041, 366.06, and 366.076(1), Florida Statutes,¹ hereby respectfully petitions the Florida Public Service Commission ("Commission" or "PSC") for approval of the Company's proposed Transition Cost Recovery charge, whereby the Company proposes to recover its reasonable, prudently incurred expenses associated with implementing gas transportation service to its customers, and also for approval of its final Purchased Gas Adjustment ("PGA") True-Up credit. The Company is seeking Commission approval of these two measures simultaneously (1) for administrative efficiency, (2) for maximum customer acceptance, and (3) because they are both the direct results of the Commission's approval of Phase I of the Company's

¹ All references herein to the Florida Statutes are to the 2001 edition thereof.

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proposal to exit the merchant function and to transfer all remaining sales customers to transportation. In Re: Petition for Authority to Convert All Remaining Sales Customers to Transportation Service and to Terminate Merchant Function by Indiantown Gas Company, Docket No. 020471-GU, Order No. PSC-02-1655-FOF-GU (Fla. Pub. Serv. Comm'n, November 26, 2002).

In summary, the Company seeks the Commission's authorization to refund \$36,743 to its customers who were not receiving transportation service in 2002 and to charge \$55,117 to all of its customers for the Company's reasonable and prudently incurred costs of implementing transportation service for all of its customers. In support of its Petition, the Company states as follows.

PROCEDURAL BACKGROUND AND INFORMATION

1. The name and address of the petitioner is:

Indiantown Gas Company
Post Office Box 8
16600 S.W. Warfield Boulevard
Indiantown, Florida 34956.

2. All pleadings, motions, orders, and other documents directed to the Company are to be served on the following:

Robert Scheffel Wright
John T. LaVia, III
Landers & Parsons, P.A.
310 West College Avenue (ZIP 32301)
Post Office Box 271
Tallahassee, Florida 32302

with a courtesy copy to:

Brian J. Powers, General Manager
Indiantown Gas Company
Post Office Box 8
16600 S.W. Warfield Boulevard
Indiantown, Florida 34956.

3. The agency affected by this Petition is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850.

RULES AND STATUTES THAT ENTITLE THE COMPANY TO RELIEF

4. Indiantown Gas Company is entitled to the relief requested herein by Rules 25-9.004 and 25-9.005, F.A.C., relating to the filing and acceptance of tariffs by the Commission, and by Sections 366.03, 366.041, 366.06, and 366.076(1), Florida Statutes. In summary, as to the substantive aspects of the Company's proposals, the Company is required to charge, and entitled to charge, rates that are fair, just, reasonable, not unjustly discriminatory, and compensatory. See Fla. Stat. §§ 366.03, 366.041, and 366.06(1)&(2). As to the procedural aspects of the relief requested by the Company, the Commission is authorized to conduct limited rate proceedings, such as the Company's proposals herein, by Section 366.076(1), Florida Statutes, and to process such requests using the Commission's proposed agency action procedure by Section 366.06(4), Florida Statutes.

FACTUAL BACKGROUND

5. Indiantown Gas Company is a public utility, and specifically a local distribution company ("LDC"), that provides natural gas transportation service to the public within its service

area in Indiantown, Florida, and the surrounding area. The Company is accordingly subject to the regulatory jurisdiction of this Commission under Chapter 366, Florida Statutes. The Company's substantial interests in charging and collecting fair, just, reasonable, and compensatory rates for the services that it provides will be determined by the Commission's disposition of this Petition.

6. In April 2000, the Commission adopted Rule 25-7.0335, F.A.C. (hereinafter the "Gas Transportation Rule" or simply the "Rule"). The Rule requires each LDC to offer transportation service for natural gas to all of the LDC's non-residential customers. The Rule further provides that each LDC "may offer the transportation of natural gas to residential customers when it is cost effective to do so." At the time of the Commission's adoption of the new Gas Transportation Rule, the Company did not offer transportation service to any of its customers. In accordance with the Rule, on July 20, 2000, the Company filed a proposed transportation service tariff that was fundamentally similar in form and substance to the Commission's "pro forma" transportation tariff. By Order No. PSC-01-0070-TRF-GU, issued on January 9, 2001, the Commission approved the Company's proposals, and the Company's transportation service tariff became effective on January 1, 2001.

7. By Order No. PSC-02-1166-PAA-GU and Consummating Order No. PSC-02-1829-CO-GU,² the Commission approved the Company's new Natural Gas Tariff, Original Volume No. 2 (the "New Tariff"), and by Order No. PSC-02-1655-TRF-GU,³ the Commission approved the Company's proposal to exit the merchant function and to transfer all remaining sales customers to transportation service. The Commission's approval was for Phase One of the Company's proposal, as set forth in the Company's petition. As such, the Commission approved the Company's proposal for an initial period of two years as an experimental and transitional pilot program pursuant to Section 366.075, Florida Statutes. (The subsequent implementation of Phases Two and Three of the Company's proposal are subject to further Commission action.) Pursuant to the New Tariff, the Company transferred all of its existing customers to transportation service effective December 1, 2002.

8. Per the November 2002 Schedule A-2, the Company's final Purchased Gas Adjustment balance, including interest, was an over-recovery of \$66,129. Reducing this amount by \$4,912 to implement adjustments identified by the Commission's audit, and further reducing this amount by \$34,298 to reflect December 2002 bookout

² In Re: Request for Limited Proceeding by Indiantown Gas Company for Approval of Natural Gas Tariff, Original Volume No. 2, Implementing Restructured Rates, Docket No. 020470-GU (Fla. Pub. Serv. Comm'n 2002).

³ In Re: Petition for Authority to Convert All Remaining Sales Customers to Transportation Service and to Terminate Merchant Function by Indiantown Gas Company, Docket No. 020471-GU (Fla. Pub. Serv. Comm'n 2002).

adjustments, the final amount of PGA over-recovery to be refunded to the Company's customers is \$36,743. The Company's 2002 A-Schedules are attached as Exhibit A to this Petition. Exhibit B shows the calculation of the net \$36,743 PGA over-recovery that the Company proposes to refund.

9. Exhibit C to this Petition is a spreadsheet that shows the costs incurred by the Company in implementing transportation service. The total amount of these transition costs is \$55,048.52, which represents the Company's incremental, non-recurring costs associated with implementing transportation service. Applying the currently effective regulatory assessment fee rate (0.125 percent) and rounding yields the amount of \$55,117 that the Company seeks to recover.

SUMMARY OF PETITION

10. By this Petition, Indiantown Gas Company is seeking the Commission's approval of (1) the Company's proposed refunds of over-recovered PGA revenues and (2) the Company's proposal to recover its costs incurred in transitioning to transportation service for all of its customers. Given the relatively small amounts involved, with one exception, the Company proposes to accomplish both the PGA true-up refund and the recovery of its transition costs via a single credit applicable to customer bills rendered in July 2003. The exception is the citrus plant that has been receiving transportation service since August 1, 2001; as a transportation service customer, the citrus plant did not receive sales service in 2002, and accordingly, the Company is not

proposing to allocate any of the PGA over-recovery to this customer. Also, since the amount of TCR costs to be collected from this customer is substantial (\$24,932), the Company is proposing to recover the amount over two years via 24 equal payments of \$1,038.83 per month (which includes no provision for interest on the uncollected balance). The proposed charges are fair, just, reasonable, non-discriminatory, and compensatory, as required by Sections 366.03, 366.041, 366.06(1), and 366.06(2), Florida Statutes.

11. The Company respectfully requests that the Commission process this Petition as a limited proceeding pursuant to Section 366.076(1), Florida Statutes, and using the Commission's proposed agency action procedure pursuant to Section 366.06(4), Florida Statutes.

DISCUSSION

12. The purposes of this Petition are to obtain the Commission's authorization to refund the Company's final PGA over-recovery balance to those customers who received sales service from the Company during 2002, and to obtain the Commission's authorization to recover the Company's reasonable and prudent costs incurred in implementing gas transportation service for all of the Company's customers.

A. Purchased Gas Adjustment Over-recovery Refund

13. As shown on the Company's A-Schedules attached as Exhibit A, the Company's adjusted PGA over-recovery was \$71,041. Exhibit B provides additional detail; the unadjusted over-recovery was

\$66,129, and the PSC audit adjustments were \$4,912. The adjusted over-recovery was further reduced by \$34,298 for December 2002 bookout adjustments (Alert Day charges), yielding a total over-recovery to be refunded of \$36,743.

14. The Company proposes to refund the PGA over-recovery to its customers who received sales service in 2002. (Only one of the Company's customers was a transportation service customer in 2002 before December, when the Company implemented transportation service for all customers.) The Company proposes to allocate the over-recovery to customer classes on the basis of their therm consumption during 2002. This allocation is shown in the fifth column of Exhibit D to this Petition.

15. The Company proposes to calculate customer refunds as follows. Residential customers will receive a credit applied to their bills, calculated on a per-customer basis as follows. The Residential class's allocated share of the over-recovery is \$2,055; dividing by 660 currently active Residential customers yields a per-customer refund of \$3.11 per customer. The Company submits that the intra-class variation in Residential class consumption is so small that it does not warrant incurring the additional programming and billing expense that would be entailed in attempting to calculate customer-specific refunds. The Residential customers' refunds will be applied to their bills rendered in July 2002; as described below, these refunds will be reduced by the Residential class's allocated share of transition costs. The Company will calculate the PGA over-recovery credits to its

Commercial customers based on their 2002 therm consumption; the credit amount is 1.3281 cents per therm. The Company will write net refund checks to each of the Company's commercial customers (except, of course, the single customer who received only transportation service from the Company in 2002). As with the Residential customers, the amount of each check will be reduced by the customer's allocated share of the Company's transition costs.

B. Transition Cost Recovery Charge

16. As shown on Exhibit C, the Company has incurred \$55,048.52 in costs to implement transportation service for its customers. These costs were largely for consulting services, computer programming, and legal services associated with implementing transportation service. (The Company is not proposing to recover any allowance for interest expense on these costs, even though significant amounts were incurred in 2001 and 2002.)

17. The Company proposes to allocate these transition costs to its customer classes on the basis of their respective therm consumption in 2002. The resulting allocations are shown in the fourth column of Exhibit D.

18. The Company-wide TCR cost per therm is 1.0911 cents per therm. The Residential class's allocated share of the TCR costs is \$1,688. As with the PGA over-recovery, because of the relatively small inter-customer variation in consumption, the Company proposes to allocate the TCR costs on a per-customer basis. The resulting charge is \$2.55. The Company proposes to apply the TCR charge as a reduction from the PGA over-recovery credit, for ease of

implementation, for administrative efficiency, and to avoid customer confusion (as might arise when a customer sees both a credit and a surcharge on his or her bill). Moreover, given the relatively small amount involved, \$0.56 per customer, the Company believes that it makes good sense to implement the net credit in the simplest way possible.

19. The Company will apply the TCR charges to its commercial customers who received PGA service in 2002 as a reduction in the PGA over-recovery credit. As shown on Exhibit D, for the cogeneration plant, the net credit will be \$5,883. The Company's 22 smaller commercial customers will receive checks that net the PGA over-recovery credit and the TCR charge, each calculated and applied on a cents-per-therm basis. The Company's single customer that did not receive PGA service in 2002 will be charged its share of the TCR costs without a PGA credit. That amount is \$24,932, which the Company proposes to collect via 24 equal monthly payments of \$1,038.83, with no provision for interest on the uncollected balance.

DISPUTED ISSUES OF MATERIAL FACT

20. The Company is not aware of any disputed issues of material fact.

ULTIMATE FACTS ALLEGED

21. The ultimate facts alleged that entitle the Company to the relief requested herein are set forth in paragraphs 1 through 20 above. The key facts that entitle the Company to relief are summarized below.

- a. As shown by the Company's A-Schedules, the remaining PGA over-recovery balance, including interest, to be refunded to the Company's PGA customers is \$36,743.
- b. The Company's proposal to allocate the remaining PGA over-recovery balance to its PGA customer classes on the basis of their therm consumption in 2002 is fair, just, reasonable, and non-discriminatory.
- c. The Company's proposal to refund the PGA over-recovery balance to its Residential customers on a flat dollars-per-customer basis, via a single-line-item credit consolidated with the transition cost recovery charge described above is appropriate and will result in fair, just, reasonable, and non-discriminatory rates.
- d. The Company's proposals to calculate customer-specific refunds for the Company's commercial customers, based on their 2002 therm consumption, and to make direct refunds (via checks) of the indicated shares of the PGA over-recovery balance to those customers are appropriate and will result in fair, just, reasonable, and non-discriminatory rates.
- e. The Company reasonably and prudently incurred \$55,048.52 in costs in order to make gas transportation service available to all of its customers. Applying the currently effective regulatory assessment fee rate to this amount increases the amount to be recovered to \$55,117.
- f. The Company's proposals (a) to recover the \$55,117 in transition costs via a flat dollars-per-customer charge from residential customers and via customer-specific one-time charges from its commercial customers, and (b) to apply, in the case of the Company's customers who received sales service from the Company in 2002, the indicated amounts as charges against which the PGA refund amounts are netted, are reasonable and appropriate.

CONCLUSION AND PRAYER FOR RELIEF

22. The Company is submitting with this Petition its proposed First Revised Sheet No. 35 and Original Sheet No. 35.1, which include the Company's proposed tariff provisions for Final Purchased Gas Adjustment True-Up Credits and for the Transition Cost Recovery Charge. These tariff sheets are included as Exhibit E to this Petition.

23. The Company requests that the Commission's approval of the proposed final PGA true-up refund credits and the proposed Transition Cost Recovery Charge, be made effective as of July 1, 2003, so that the Company may make the appropriate refunds and collect the Transition Cost Recovery Charges via bills rendered in July 2003.

WHEREFORE, Indiantown Gas Company requests that the Commission GRANT this Petition and APPROVE the accompanying proposed First Revised Tariff Sheet No. 35 and Original Tariff Sheet No. 35.1 to become effective as of July 1, 2003.

Respectfully submitted this 28th day of May, 2003.



Robert Scheffel Wright
Florida Bar No. 0966721
John T. LaVia, III
Florida Bar No. 0853666
Landers & Parsons, P.A.
310 West College Avenue (ZIP 32301)
P.O. Box 271
Tallahassee, Florida 32302
Telephone (850) 681-0311
Telecopier (850) 224-5595

Attorneys for Indiantown Gas Company

INDIANTOWN GAS COMPANY

In Re: Purchased Gas Adjustment True-Up, Docket No. 030003-GU,
and

In Re: Petition of Indiantown Gas Company for Approval of
Transition Cost Recovery Charge and for Approval of Final
Purchased Gas Adjustment True-Up Credit

EXHIBIT A

2002 A-Schedules

COMPANY: INDIANTOWN GAS COMPANY

COMPARISON OF ACTUAL VERSUS ORIGINAL ESTIMATE
OF THE PURCHASED GAS ADJUSTMENT COST RECOVERY FACTOR
ESTIMATED FOR THE PERIOD OF: JAN 2002 Through DEC 2002

SCHEDULE A-1/FLEX

COST OF GAS PURCHASED	CURRENT MONTH:				PERIOD TO DATE			
	ACTUAL	FLEX-DOWN ESTIMATE	DIFFERENCE		ACTUAL	FLEX-DOWN ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
1 COMMODITY (Pipeline)	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 SWING SERVICE	0	0	0	0.00	0	0	0	0.00
4 COMMODITY (Other)	111,384	94,001	(17,383)	-18.49	111,384	94,001	(17,383)	-18.49
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 (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	30,997	30,997	100.00	0	30,997	30,997	100.00
11 TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	111,384	124,998	13,614	10.89	111,384	124,998	13,614	10.89
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	118,050	124,998	6,948	5.56	118,050	124,998	6,948	5.56
THERMS PURCHASED								
15 COMMODITY (Pipeline)	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 SWING SERVICE	0	0	0	0.00	0	0	0	0.00
18 COMMODITY (Other)	490,860	483,981	(6,879)	-1.42	490,860	483,981	(6,879)	-1.42
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 (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)	490,860	483,981	(6,879)	-1.42	490,860	483,981	(6,879)	-1.42
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)	808,766	483,981	(324,785)	-67.11	808,766	483,981	(324,785)	-67.11
CENTS PER THERM								
28 COMMODITY (Pipeline) (1/15)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
29 NO NOTICE SERVICE (2/16)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
30 SWING SERVICE (3/17)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
31 COMMODITY (Other) (4/18)	22.692	19.422	(3.270)	-16.84	22.692	19.422	(3.270)	-16.84
32 DEMAND (5/19)	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.00
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)	22.692	25.827	3.135	12.14	22.692	25.827	3.135	12.14
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)	13.772	25.827	12.055	46.68	13.772	25.827	12.055	46.68
41 TRUE-UP (E-2)	0.00122	0.00122	0.000	0.00	0.00122	0.00122	0.000	0.00
42 TOTAL COST OF GAS (40+41)	13.773	25.828	12.055	46.67	13.773	25.828	12.055	46.67
43 REVENUE TAX FACTOR	1.03090	1.03090	0.00000	0.00	1.03090	1.03090	0.00000	0.00
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	14.1988	26.6263	12.4275	46.67	14.1988	26.6263	12.4275	46.67
45 PGA FACTOR ROUNDED TO NEAREST .001	14.199	26.626	12.427	46.67	14.199	26.626	12.427	46.67

COMPANY: INDIANTOWN GAS COMPANY

**PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION
SCHEDULE A-1 SUPPORTING DETAIL**

FOR THE PERIOD OF:
CURRENT MONTH:

JANUARY 2002 THROUGH DECEMBER 2002
JANUARY 2002

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	490,860	114,576.11	23.342
18 Commodity Other - Transportation Customer	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	(3,192.43)	0.000
22 Commodity Adjustments	0	0.00	0.000
23 FGT Refund	0	0.00	0.000
24 TOTAL COMMODITY (Other)	490,860	111,383.68	22.692
EMAND			
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 7/25/02)**

FOR THE PERIOD OF:

JAN 2002 Through DEC 2002

	CURRENT MONTH:				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 TRANSPORTATION COST	111,384	124,998	13,614	10.89	111,384	124,998	13,614	10.89
3 TOTAL	111,384	124,998	13,614	10.89	111,384	124,998	13,614	10.89
4 FUEL REVENUES (NET OF REVENUE TAX)	118,050	124,998	6,948	5.56	118,050	124,998	6,948	5.56
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(429)	(429)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	117,621	124,569	6,948	5.58	117,621	124,569	6,948	5.58
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	6,237	(429)	(6,666)	1,553.85	6,237	(429)	(6,666)	1,553.85
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	45	(1)	(46)	4,600.00	45	(1)	(46)	4,600.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	26,976	(502)	(27,478)	5,473.71	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	429	429	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)	33,687	(503)	(34,190)	6,797.22	33,687	(503)	(34,190)	6,797.22
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	26,976	(502)	27,478	(5,473.71)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	33,642	(502)	34,144	(6,801.59)				
14 TOTAL (12+13)	60,618	(1,004)	61,622	(6,137.65)				
15 AVERAGE (50% OF 14)	30,309	(502)	30,811	(6,137.65)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.78000%	1.78000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.77000%	1.77000%	0.00000%	0.00				
18 TOTAL (16+17)	3.55000%	3.55000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.78000%	1.78000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14833%	0.14833%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	45	(1)	46	(4,600.00)				

NOTES:

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

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION PURCHASES
SYSTEM SUPPLY AND END USE

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

ACTUAL FOR THE PERIOD OF: JAN 2002 Through DEC 2002

PRESENT MONTH: JANUARY 2002

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			
JAN-2002	PESCO	SYS SUPPLY	FTS	490,860	0	490,860	111,384	0	0	0	22.69
						0					0.00
						0					0.00
						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				490,860	0	490,860	111,384	0	0	0	22.69

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION SYSTEM SUPPLY

SCHEDULE A-4

FOR THE PERIOD OF:

JAN 2002

Through

DEC 2002

(REVISED 8/19/93)

MONTH:

JANUARY 2002

(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	1,624	1,583	50,329	49,086	2.213	2.269
TOTAL		1,624	1,583	50,329	49,086		
WEIGHTED AVERAGE						2.213	2.269

NOTE: CITY GATE PRICE SHOULD NOT INCLUDE FGT TRANSPORATION CHARGES

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:		FEBRUARY 2002		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	39,018	115,401	76,383	66.19	150,402	240,399	89,997	37.44
3	TOTAL	39,018	115,401	76,383	66.19	150,402	240,399	89,997	37.44
4	FUEL REVENUES (NET OF REVENUE TAX)	39,606	115,401	75,795	65.68	157,656	240,399	82,743	34.42
5	TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(858)	(858)	0	0.00
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	39,177	114,972	75,795	65.92	156,798	239,541	82,743	34.54
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	159	(429)	(588)	137.06	6,396	(858)	(7,254)	845.45
8	INTEREST PROVISION - THIS PERIOD (LINE 21)	50	(1)	(51)	5,100.00	95	(2)	(97)	4,850.00
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	33,687	(503)	(34,190)	6,797.22	26,976	(502)	(27,478)	5,473.71
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	858	858	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)	34,325	(504)	(34,829)	6,910.52	34,325	(504)	(34,829)	6,910.52
INTEREST PROVISION									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	33,687	(503)	34,190	(6,797.22)				
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	34,275	(503)	34,778	(6,914.12)				
14	TOTAL (12+13)	67,962	(1,006)	68,968	(6,855.67)				
15	AVERAGE (50% OF 14)	33,981	(503)	34,484	(6,855.67)				
16	INTEREST RATE - FIRST DAY OF MONTH	1.77000%	1.77000%	0.00000%	0.00				
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.75000%	1.75000%	0.00000%	0.00				
18	TOTAL (16+17)	3.52000%	3.52000%	0.00000%	0.00				
19	AVERAGE (50% OF 18)	1.76000%	1.76000%	0.00000%	0.00				
20	MONTHLY AVERAGE (19/12 Months)	0.14667%	0.14667%	0.00000%	0.00				
21	INTEREST PROVISION (15x20)	50	(1)	51	(5,100.00)				

NOTES:

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

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:		MARCH 2002		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	55,809	40,684	(15,125)	(37.18)	206,211	281,083	74,872	26.64
3	TOTAL	55,809	40,684	(15,125)	(37.18)	206,211	281,083	74,872	26.64
4	FUEL REVENUES (NET OF REVENUE TAX)	52,521	40,684	(11,837)	(29.10)	210,177	281,083	70,906	25.23
5	TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(1,287)	(1,287)	0	0.00
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	52,092	40,255	(11,837)	(29.41)	208,890	279,796	70,906	25.34
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(3,717)	(429)	3,288	(766.43)	2,679	(1,287)	(3,966)	308.16
8	INTEREST PROVISION - THIS PERIOD (LINE 21)	48	(1)	(49)	4,900.00	143	(3)	(146)	4,866.67
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	34,325	(504)	(34,829)	6,910.52	26,976	(502)	(27,478)	5,473.71
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	1,287	1,287	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)	31,085	(505)	(31,590)	6,255.45	31,085	(505)	(31,590)	6,255.45
INTEREST PROVISION									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	34,325	(504)	34,829	(6,910.52)				
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	31,037	(504)	31,541	(6,258.13)				
14	TOTAL (12+13)	65,362	(1,008)	66,370	(6,584.33)				
15	AVERAGE (50% OF 14)	32,681	(504)	33,185	(6,584.33)				
16	INTEREST RATE - FIRST DAY OF MONTH	1.75000%	1.75000%	0.00000%	0.00				
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.80000%	1.80000%	0.00000%	0.00				
18	TOTAL (16+17)	3.55000%	3.55000%	0.00000%	0.00				
19	AVERAGE (50% OF 18)	1.78000%	1.78000%	0.00000%	0.00				
20	MONTHLY AVERAGE (19/12 Months)	0.14833%	0.14833%	0.00000%	0.00				
21	INTEREST PROVISION (15x20)	48	(1)	49	(4,900.00)				

NOTES:

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

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION PURCHASES
SYSTEM SUPPLY AND END USE

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

ACTUAL FOR THE PERIOD OF: JAN 2002 Through DEC 2002

PRESENT MONTH: MARCH 2002

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			
MAR-2002	PESCO	SYS SUPPLY	FTS	129,870	0	129,870	55,809	0	0	0	42.97
FEB-2002	PESCO	SYS SUPPLY	FTS	155,870	0	155,870	39,018	0	0	0	25.03
JAN-2002	PESCO	SYS SUPPLY	FTS	490,860	0	490,860	111,384	0	0	0	22.69
						0					0.00
						0					0.00
						0					0.00
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						0					0.00
						0					0.00
TOTAL				776,600	0	776,600	206,211	0	0	0	26.55

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:		APRIL 2002		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	64,000	40,336	(23,664)	(58.67)	270,211	321,419	51,208	15.93
3	TOTAL	64,000	40,336	(23,664)	(58.67)	270,211	321,419	51,208	15.93
4	FUEL REVENUES (NET OF REVENUE TAX)	67,501	40,336	(27,165)	(67.35)	277,678	321,419	43,741	13.61
5	TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(1,716)	(1,716)	0	0.00
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	67,072	39,907	(27,165)	(68.07)	275,962	319,703	43,741	13.68
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	3,072	(429)	(3,501)	816.08	5,751	(1,716)	(7,467)	435.14
8	INTEREST PROVISION - THIS PERIOD (LINE 21)	49	(1)	(50)	5,000.00	192	(4)	(196)	4,900.00
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	31,085	(505)	(31,590)	6,255.45	26,976	(502)	(27,478)	5,473.71
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	1,716	1,716	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)	34,635	(506)	(35,141)	6,944.86	34,635	(506)	(35,141)	6,944.86
INTEREST PROVISION									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	31,085	(505)	31,590	(6,255.45)				
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	34,586	(505)	35,091	(6,948.71)				
14	TOTAL (12+13)	65,671	(1,010)	66,681	(6,602.08)				
15	AVERAGE (50% OF 14)	32,836	(505)	33,341	(6,602.18)				
16	INTEREST RATE - FIRST DAY OF MONTH	1.80000%	1.80000%	0.00000%	0.00				
17	INTEREST RATE - FIRST DAY OF SUBSEQENT MONTH	1.75000%	1.75000%	0.00000%	0.00				
18	TOTAL (16+17)	3.55000%	3.55000%	0.00000%	0.00				
19	AVERAGE (50% OF 18)	1.78000%	1.78000%	0.00000%	0.00				
20	MONTHLY AVERAGE (19/12 Months)	0.14833%	0.14833%	0.00000%	0.00				
21	INTEREST PROVISION (15x20)	49	(1)	50	(5,000.00)				

NOTES:

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

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			
	ACTUAL	FLEXDOWN ESTIMATE	MAY 2002 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	134,218	73,109	(61,109)	(83.59)	404,429	394,528	(9,901)	(2.51)
3 TOTAL	134,218	73,109	(61,109)	(83.59)	404,429	394,528	(9,901)	(2.51)
4 FUEL REVENUES (NET OF REVENUE TAX)	180,528	73,109	(107,419)	(146.93)	458,206	394,528	(63,678)	(16.14)
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(2,145)	(2,145)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	180,099	72,680	(107,419)	(147.80)	456,061	392,383	(63,678)	(16.23)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	45,881	(429)	(46,310)	10,794.87	51,632	(2,145)	(53,777)	2,507.09
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	85	(1)	(86)	8,600.00	277	(5)	(282)	5,640.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	34,635	(506)	(35,141)	6,944.86	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	2,145	2,145	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)	81,030	(507)	(81,537)	16,082.25	81,030	(507)	(81,537)	16,082.25
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	34,635	(506)	35,141	(6,944.86)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	80,945	(506)	81,451	(16,097.04)				
14 TOTAL (12+13)	115,580	(1,012)	116,592	(11,520.95)				
15 AVERAGE (50% OF 14)	57,790	(506)	58,296	(11,520.95)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.75000%	1.75000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQENT MONTH	1.77000%	1.77000%	0.00000%	0.00				
18 TOTAL (16+17)	3.52000%	3.52000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.76000%	1.76000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14667%	0.14667%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	85	(1)	86	(8,600.00)				

NOTES:

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

COMPANY: INDIANTOWN GAS COMPANY

TRANSPORATION PURCHASES
 SYSTEM SUPPLY AND END USE

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

ACTUAL FOR THE PERIOD OF: JAN 2002 Through DEC 2002

PRESENT MONTH: MAY 2002

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			
MAY-2002	PESCO	SYS SUPPLY	FTS	503,890	0	503,890	134,218	0	0	0	26.64
APR-2002	PESCO	SYS SUPPLY	FTS	189,810	0	189,810	64,000	0	0	0	33.72
MAR-2002	PESCO	SYS SUPPLY	FTS	129,870	0	129,870	55,809	0	0	0	42.97
FEB-2002	PESCO	SYS SUPPLY	FTS	155,870	0	155,870	39,018	0	0	0	25.03
JAN-2002	PESCO	SYS SUPPLY	FTS	490,860	0	490,860	111,384	0	0	0	22.69
						0					0.00
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						0					0.00
						0					0.00
TOTAL				1,470,300	0	1,470,300	404,429	0	0	0	27.51

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			
	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 TRANSPORTATION COST	141,235	184,907	43,672	23.62	545,664	579,435	33,771	5.83
3 TOTAL	141,235	184,907	43,672	23.62	545,664	579,435	33,771	5.83
4 FUEL REVENUES (NET OF REVENUE TAX)	124,430	184,907	60,477	32.71	582,636	579,435	(3,201)	(0.55)
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(2,574)	(2,574)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	124,001	184,478	60,477	32.78	580,062	576,861	(3,201)	(0.55)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(17,234)	(429)	16,805	(3,917.25)	34,398	(2,574)	(36,972)	1,436.36
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	107	(1)	(108)	10,800.00	384	(6)	(390)	6,500.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	81,030	(507)	(81,537)	16,082.25	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	2,574	2,574	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)	64,332	(508)	(64,840)	12,763.78	64,332	(508)	(64,840)	12,763.78
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	81,030	(507)	81,537	(16,082.25)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	64,225	(507)	64,732	(12,767.65)				
14 TOTAL (12+13)	145,255	(1,014)	146,269	(14,424.95)				
15 AVERAGE (50% OF 14)	72,628	(507)	73,135	(14,425.05)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.77000%	1.77000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.75000%	1.75000%	0.00000%	0.00				
18 TOTAL (16+17)	3.52000%	3.52000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.76000%	1.76000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14667%	0.14667%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	107	(1)	108	(10,800.00)				

NOTES:

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

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			
	JULY 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	36,818	130,342	93,524	71.75	582,482	709,777	127,295	17.93
3 TOTAL	36,818	130,342	93,524	71.75	582,482	709,777	127,295	17.93
4 FUEL REVENUES (NET OF REVENUE TAX)	38,073	130,342	92,269	70.79	620,709	709,777	89,068	12.55
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(3,003)	(3,003)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	37,644	129,913	92,269	71.02	617,706	706,774	89,068	12.60
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	826	(429)	(1,255)	292.54	35,224	(3,003)	(38,227)	1,272.96
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	94	(1)	(95)	9,500.00	478	(7)	(485)	6,928.57
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	64,332	(508)	(64,840)	12,763.78	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	3,003	3,003	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)	65,681	(509)	(66,190)	13,003.93	65,681	(509)	(66,190)	13,003.93
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	64,332	(508)	64,840	(12,763.78)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	65,587	(508)	66,095	(13,010.83)				
14 TOTAL (12+13)	129,919	(1,016)	130,935	(12,887.30)				
15 AVERAGE (50% OF 14)	64,960	(508)	65,468	(12,887.40)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.75000%	1.75000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.73000%	1.73000%	0.00000%	0.00				
18 TOTAL (16+17)	3.48000%	3.48000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.74000%	1.74000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14500%	0.14500%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	94	(1)	95	(9,500.00)				

NOTES:

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

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			
	ACTUAL	FLEXDOWN ESTIMATE	AUGUST 2002 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 TRANSPORTATION COST	22,549	11,817	(10,732)	(90.82)	605,031	721,594	116,563	16.15
3 TOTAL	22,549	11,817	(10,732)	(90.82)	605,031	721,594	116,563	16.15
4 FUEL REVENUES (NET OF REVENUE TAX)	36,048	11,817	(24,231)	(205.05)	656,757	721,594	64,837	8.99
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(3,432)	(3,432)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	35,619	11,388	(24,231)	(212.78)	653,325	718,162	64,837	9.03
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	13,070	(429)	(13,499)	3,146.62	48,294	(3,432)	(51,726)	1,507.17
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	104	(1)	(105)	10,500.00	582	(8)	(590)	7,375.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	65,681	(509)	(66,190)	13,003.93	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	3,432	3,432	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)	79,284	(510)	(79,794)	15,645.88	79,284	(510)	(79,794)	15,645.88
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	65,681	(509)	66,190	(13,003.93)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	79,180	(509)	79,689	(15,655.99)				
14 TOTAL (12+13)	144,861	(1,018)	145,879	(14,329.96)				
15 AVERAGE (50% OF 14)	72,431	(509)	72,940	(14,330.06)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.73000%	1.73000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.71000%	1.71000%	0.00000%	0.00				
18 TOTAL (16+17)	3.44000%	3.44000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.72000%	1.72000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14333%	0.14333%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	104	(1)	105	(10,500.00)				

NOTES:

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

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:		SEPTEMBER 2002		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 TRANSPORTATION COST	8,043	34,498	26,455	76.69	613,074	756,092	143,018	18.92
3 TOTAL	8,043	34,498	26,455	76.69	613,074	756,092	143,018	18.92
4 FUEL REVENUES (NET OF REVENUE TAX)	9,183	34,498	25,315	73.38	665,940	756,092	90,152	11.92
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(3,861)	(3,861)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	8,754	34,069	25,315	74.31	662,079	752,231	90,152	11.98
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	711	(429)	(1,140)	265.70	49,005	(3,861)	(52,866)	1,369.23
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	116	(1)	(117)	11,700.00	698	(9)	(707)	7,855.56
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	79,284	(510)	(79,794)	15,645.88	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	3,861	3,861	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)	80,540	(511)	(81,051)	15,861.22	80,540	(511)	(81,051)	15,861.22
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	79,284	(510)	79,794	(15,645.88)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	80,424	(510)	80,934	(15,869.38)				
14 TOTAL (12+13)	159,708	(1,020)	160,728	(15,757.63)				
15 AVERAGE (50% OF 14)	79,854	(510)	80,364	(15,757.65)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.71000%	1.71000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.76000%	1.76000%	0.00000%	0.00				
18 TOTAL (16+17)	3.47000%	3.47000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.74000%	1.74000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14500%	0.14500%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	116	(1)	117	(11,700.00)				

NOTES:

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

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:		OCTOBER 2002		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 TRANSPORTATION COST	64,035	8,043	(55,992)	(696.16)	677,109	764,135	87,026	11.39
3 TOTAL	64,035	8,043	(55,992)	(696.16)	677,109	764,135	87,026	11.39
4 FUEL REVENUES (NET OF REVENUE TAX)	40,167	8,043	(32,124)	(399.40)	706,107	764,135	58,028	7.59
5 TRUE-UP (COLLECTED) OR REFUNDED	(429)	(429)	0	0.00	(4,290)	(4,290)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	39,738	7,614	(32,124)	(421.91)	701,817	759,845	58,028	7.64
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(24,297)	(429)	23,868	(5,563.64)	24,708	(4,290)	(28,998)	675.94
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	98	(1)	(99)	9,900.00	796	(10)	(806)	8,060.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	80,540	(511)	(81,051)	15,861.25	26,976	(502)	(27,478)	5,473.71
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	429	429	0	0.00	4,290	4,290	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)	56,770	(512)	(57,282)	11,187.89	56,770	(512)	(57,282)	11,187.86
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	80,540	(511)	81,051	(15,861.25)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	56,672	(511)	57,183	(11,190.41)				
14 TOTAL (12+13)	137,212	(1,022)	138,234	(13,525.83)				
15 AVERAGE (50% OF 14)	68,606	(511)	69,117	(13,525.83)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.76000%	1.76000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.65000%	1.65000%	0.00000%	0.00				
18 TOTAL (16+17)	3.41000%	3.41000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.71000%	1.71000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.14250%	0.14250%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	98	(1)	99	(9,900.00)				

NOTES:

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

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			
	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	197,092	44,408	(152,684)	(343.82)	874,201	808,543	(65,658)	(8.12)
3 TOTAL	197,092	44,408	(152,684)	(343.82)	874,201	808,543	(65,658)	(8.12)
4 FUEL REVENUES (NET OF REVENUE TAX)	211,284	44,408	(166,876)	(375.78)	917,391	808,543	(108,848)	(13.46)
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)	210,855	43,979	(166,876)	(379.44)	912,672	803,824	(108,848)	(13.54)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	13,763	(429)	(14,192)	3,308.16	38,471	(4,719)	(43,190)	915.23
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	79	(1)	(80)	8,000.00	875	(11)	(886)	8,054.55
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (1)	56,770	(512)	(57,282)	11,187.89	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)	71,041	(513)	(71,554)	13,948.15	71,041	(513)	(71,554)	13,948.12
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	56,770	(512)	57,282	(11,187.89)				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	70,962	(512)	71,474	(13,959.77)				
14 TOTAL (12+13)	127,732	(1,024)	128,756	(12,573.83)				
15 AVERAGE (50% OF 14)	63,866	(512)	64,378	(12,573.83)				
16 INTEREST RATE - FIRST DAY OF MONTH	1.65000%	1.65000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQENT MONTH	1.30000%	1.30000%	0.00000%	0.00				
18 TOTAL (16+17)	2.95000%	2.95000%	0.00000%	0.00				
19 AVERAGE (50% OF 18)	1.48000%	1.48000%	0.00000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.12333%	0.12333%	0.00000%	0.00				
21 INTEREST PROVISION (15x20)	79	(1)	80	(8,000.00)				

NOTES:

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

**Indiantown Gas Co.
Final PGA Settlement
May 21,2003**

Exhibit B

Final PGA Balance (unadjusted)	\$66,129
PSC Audit Adjustments	\$4,912
Final PGA Balance (per Nov. A-2)	\$71,041
Dec. Bookout Adjustments	(\$34,298)
Final PGA Balance	\$36,743

INDIANTOWN GAS COMPANY
SUMMARY OF EXPENSES FOR TRANSITION
TO GAS TRANSPORTATION SERVICE, 2001-2003

Exhibit C

DATE	PAYEE	DESCRIPTION	AMOUNT
<u>2001</u>			
1/5/2001	L&P	Legal services	685.39
2/1/2001	KTM	Consulting services	2,025.60
2/1/2001	DUNNCOM, INC.	Computer expenses (hardware)	375.24
2/28/2001	L&P	Legal services	675.33
5/13/2001	ZIMMERMAN ET AL.	Legal services	1,440.85
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	262.82
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	50.00
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	440.00
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	245.00
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	1,372.70
9/26/2001	DUNNCOM, INC.	Computer expenses (hardware)	1,505.20
10/30/2001	DUNNCOM, INC.	Computer expenses (hardware)	379.96
10/30/2001	DUNNCOM, INC.	Computer expenses (hardware)	245.00
11/13/2001	L&P	Legal services	564.84
11/21/2001	JOE HOWELL	Computer software upgrades	192.50
11/30/2001	L&P	Legal services	155.25
12/17/2001	L&P	Legal services	270.25
12/28/2001	J. HOUSEHOLDER	Consulting services	8,382.88
	SUB-TOTAL - 2001		19,268.81
<u>2002</u>			
1/10/2002	DUNNCOM, INC.	Computer expenses (hardware)	342.50
1/24/2002	J. HOUSEHOLDER	Consulting services	554.25
3/14/2002	DUNNCOM, INC.	Computer expenses (hardware)	212.50
3/20/2002	DUNNCOM, INC.	Computer expenses (hardware)	357.75
3/25/2002	L&P	Legal services	1,052.47
4/23/2002	DUNNCOM, INC.	Computer expenses (hardware)	245.00
5/10/2002	L&P	Legal services	1,279.62
5/31/2002	L&P	Legal services	2,914.10
7/3/2002	DUNNCOM, INC.	Computer expenses (hardware)	21.25
7/31/2002	DUNNCOM, INC.	Computer expenses (hardware)	147.50
8/9/2002	DUNNCOM, INC.	Computer expenses (hardware)	1,084.12
8/27/2002	L&P	Legal services	3,475.55
9/1/2002	L&P	Legal services	90.00
9/19/2002	J. HOWELL	Computer software upgrades	990.00
10/22/2002	L&P	Legal services	135.77
	SUB-TOTAL - 2002		12,902.38
<u>2003</u>			
1/1/2003	L&P	Legal services	421.02
1/7/2003	L&P	Legal services	540.20
2/17/2003	L&P	Legal services	1,305.00
3/19/2003	J. HOWELL	Computer software upgrades	1,072.50
3/27/2003	J. HOUSEHOLDER	Consulting services	14,351.87
4/18/2003	L&P	Legal services	195.00
5/5/2003	L&P	Legal services	531.74
5/9/2003	L&P	Legal services	960.00
5/12/2003	L&P	Legal services	3,500.00
	SUB-TOTAL - 2003		22,877.33
	TOTAL		55,048.52

**INDIANTOWN GAS COMPANY - ALLOCATION OF TCR COSTS
AND PGA OVER-RECOVERY CREDITS, BY RATE CLASS**

Exhibit D

RATE CLASS	NUMBER OF CUSTOMERS	2002 THERMS	ALLOCATED TCR COSTS	TCR UNIT COST	ALLOCATED PGA OVER-RECOVERY	PGA UNIT REFUND	NET CREDIT (-) OR CHARGE (+)
RESIDENTIAL	660	154,748	1,688	2.56	2,055	3.11	-367
COMMERCIAL	22	129,715	1,415	0.010911	1,723	0.013281	-307
CITRUS PLANT	1	2,284,986	24,932	0.010911	0	0.000000	24,932
COGEN PLANT	1	2,482,023	27,082	0.010911	32,965	0.013281	-5,883
TOTAL	684	5,051,472	55,117		36,743		18,374
EXCLUDE CITRUS	683	2,766,486					
CHECK TOTALS *	684				36,743		18,374

NOTE: Unit costs for Residential customers are express in dollars per customer; unit costs for all other customers are expressed in dollars per therm, based on 2002 therm consumption.

INDIANTOWN GAS COMPANY

In Re: Purchased Gas Adjustment True-Up, Docket No. 030003-GU,
and

In Re: Petition of Indiantown Gas Company for Approval of
Transition Cost Recovery Charge and for Approval of Final
Purchased Gas Adjustment True-Up Credit

EXHIBIT E

First Revised Tariff Sheet No. 35

and

Original Tariff Sheet No. 35.1

BILLING ADJUSTMENTS
(Continued)

- (e) In the event Company experiences unaccounted for Gas on its distribution system, Company shall be entitled to recover the cost of such unaccounted for Gas. Costs associated with transportation shrinkage shall be based upon Company's operating experience, and Company shall have the right to adjust such cost from time to time to reflect operating experience and/or any change in methodology used by Company to calculate the amount of Gas deemed as transportation shrinkage. Upon request, Company shall furnish to Customer, Customer's Agent or Pool Manager information to support such cost allocation.
- (f) This mechanism should not be considered to preclude the Company from recovering other penalties and charges from its customers as defined in the Terms and Conditions for Transportation Service of this Tariff, the Transportation Service Agreement or Aggregated Transportation Service Agreement.

3. TAXES AND OTHER ADJUSTMENTS APPLICABLE TO ALL RATE SCHEDULES:

There shall be added to all bills rendered, all applicable local utility and franchise taxes and state gross receipts and sales taxes presently assessed by governmental authority; as well as future changes or new assessments by any governmental authority subsequent to the effective date of this tariff. All such assessments as described above shall be shown on Customer or Shipper bills, as applicable.

4. FINAL PURCHASED GAS ADJUSTMENT TRUE-UP CREDITS:

In July 2003, all customers who received sales service from the Company during 2002 shall receive a credit to implement the refunding of the Company's final Purchased Gas Adjustment true-up over-recovery. For Residential customers (now served under Rate Schedule TS-1), the credit shall be \$3.11. For Commercial customers who received sales service in 2002 and who are now served under any applicable Transportation Service rate schedule, the credit shall be 1.3281 cents per therm applied to each customer's total therm consumption in 2002. The amount of each customer's credit will be reduced by the applicable Transportation Cost Recovery Charge described in Subsection 5 immediately following.

Residential customers will receive a credit on their bills equal to the net of the PGA true-up refund minus the Transportation Cost Recovery Charge. Commercial customers will receive individual refund checks (or bills), the amount of which will be the customer's PGA true-up refund amount minus the Transportation Cost Recovery Charge.

5. TRANSPORTATION COST RECOVERY CHARGE:

In July 2003, all of the Company's customers will be charged the Transportation Cost Recovery ("TCR") Charge, by which the Company will recover its incremental, non-recurring costs incurred in implementing transportation service for all of its customers. For Residential customers, the TCR Charge is \$2.55 per customer. For Commercial customers, the TCR Charge is 1.0911 cents per therm, calculated and applied on the basis of each customer's 2002 therm consumption. As stated in Subsection 4 immediately above, Residential customers will receive a net bill credit of the PGA true-up refund amount minus the TCR Charge; the net credit for each Residential customer will be \$0.56. For each Commercial customer, the Company will calculate the applicable PGA true-up refund amount and the applicable TCR Charge, and will then calculate the net amount and either refund or charge the difference to each customer, as follows: if the PGA refund is greater than the TCR Charge, the customer will receive a check from the Company, and if the TCR Charge is greater than the PGA refund, the difference will be billed to the customer via 24 equal monthly payments, with no interest charged on the un-amortized balance, beginning with the customer's July 2003 bill.