

Indiantown Gas Company

Earnings Surveillance Report

Period Ending: December 31, 2006

RATE OF RETURN REPORT SUMMARY
12/31/06

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$50,404	\$4,333	\$54,736	\$0	\$54,736
AVERAGE RATE BASE	\$392,024	\$144,708	\$536,732	\$0	\$536,732
AVERAGE RATE OF RETURN	12.86%		10.20%		10.20%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$50,404	\$4,335	\$54,738	\$0	\$54,738
YEAR-END RATE BASE	\$416,418	\$101,266	\$517,685	\$0	\$517,685
YEAR-END RATE OF RETURN	12.10%		10.57%		10.57%

**III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	9.82%
MIDPOINT	10.27%
HIGH	10.72%

**IV. EARNED RETURN ON EQUITY
(FPSC ADJUSTED BASIS)**

A.	INCL COMP RATE ADJ REVENUES	11.33%
B.	EXCL COMP RATE ADJ REVENUES	11.33%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Melissa Powers
Chief Financial Officer

Melissa M. Powers
Signature

2-21-07
Date

INDIANTOWN GAS COMPANY

AVERAGE RATE OF RETURN
FOR THE THIRTEEN MONTHS ENDED 12/31/06
RATE BASE

SCHEDULE 2
PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$1,151,027	(\$592,405)	\$568,623	\$0	\$15,705	\$574,327	(\$182,303)	\$392,024
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
			\$0			\$0		\$0
			\$0			\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$214,484	\$214,484
COMMON PLANT - NON-UTILITY OPERATIONS	(\$120,856)	\$51,080	(\$69,776)			(\$69,776)		(\$69,776)
TOTAL FPSC ADJUSTMENTS	(\$120,856)	\$51,080	(\$69,776)	\$0	\$0	(\$69,776)	\$214,484	\$144,708
FPSC ADJUSTED	\$1,030,171	(\$541,325)	\$498,847	\$0	\$15,705	\$504,551	\$32,180	\$536,732
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,030,171	(\$541,325)	\$498,847	\$0	\$15,705	\$504,551	\$32,180	\$536,732
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$1,030,171	(\$541,325)	\$498,847	\$0	\$15,705	\$504,551	\$32,180	\$536,732

INDIANTOWN GAS COMPANY

AVERAGE RATE OF RETURN
FOR THE THIRTEEN MONTHS ENDED 12/31/06
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$503,102	\$0	\$370,642	\$51,432	\$21,730	\$8,885	\$0	\$0	\$0	\$452,698	\$50,404
FPSC ADJUSTMENTS:											
1) Cleaning Expenses			\$0			\$0				\$0	\$0
2) Employee Uniforms			\$0			\$0				\$0	\$0
3) CEO Car Repairs			\$0			\$0				\$0	\$0
4) Non-Utility Common Expense Allocations			\$0			\$0				\$0	\$0
5) Indirect A&G Salaries			\$0			\$0				\$0	\$0
6) AAA & YMCA Membership Dues			\$0			\$0				\$0	\$0
7) Unallocated CFO Salary			\$0			\$0				\$0	\$0
8) Employee Activities			\$0			\$0				\$0	\$0
9) Eliminate Entertainment Expenses			\$0			\$0				\$0	\$0
10) Eliminate Life Insurance Expense			\$0			\$0				\$0	\$0
11) AGA Dues			\$0			\$0				\$0	\$0
12) Advertising Expense			\$0			\$0				\$0	\$0
13) Eliminate Charitable Contributions			\$0			\$0				\$0	\$0
14) Non-utility Property Taxes					\$0	\$0				\$0	\$0
15) Interest Synchronization						\$3,337				\$3,337	(\$3,337)
16) Depreciation Expense - Common Plant				(\$9,549)		\$1,679				(\$7,670)	\$7,670
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	(\$9,549)	\$0	\$5,216	\$0	\$0	\$0	(\$4,333)	\$4,333
FPSC ADJUSTED	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,111	\$0	\$0	\$0	\$448,366	\$54,736
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,111	\$0	\$0	\$0	\$448,366	\$54,736
PRO FORMA REVENUE INCREASE & ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,111	\$0	\$0	\$0	\$448,366	\$54,736

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN
FOR THE YEAR ENDED 12/31/06
RATE BASE

SCHEDULE :
PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$1,158,824	(\$592,964)	\$565,960	\$0	\$3,442	\$569,302	(\$152,884)	\$416,418
FPSC ADJUSTMENTS:								
	0	\$0	\$0			\$0		\$0
	0	\$0	\$0			\$0		\$0
	0	\$0	\$0			\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$171,379	\$171,379
COMMON PLANT - NON-UTILITY OPERATIONS	(\$121,293)	\$51,181	(\$70,112)			(\$70,112)		(\$70,112)
TOTAL FPSC ADJUSTMENTS	(\$121,293)	\$51,181	(\$70,112)	\$0	\$0	(\$70,112)	\$171,379	\$101,266
FPSC ADJUSTED	\$1,037,531	(\$541,783)	\$495,748	\$0	\$3,442	\$499,190	\$18,495	\$517,685
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,037,531	(\$541,783)	\$495,748	\$0	\$3,442	\$499,190	\$18,495	\$517,685
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$1,037,531	(\$541,783)	\$495,748	\$0	\$3,442	\$499,190	\$18,495	\$517,685

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN
FOR THE YEAR ENDED 12/31/06
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$503,102	\$0	\$370,642	\$51,432	\$21,730	\$8,895	\$0	\$0	\$0	\$452,688	\$50,404
FPSC ADJUSTMENTS:											
1) Cleaning Expenses			\$0			\$0				\$0	\$0
2) Employee Uniforms			\$0			\$0				\$0	\$0
3) CEO Car Repairs			\$0			\$0				\$0	\$0
4) Non-Utility Common Expense Allocations			\$0			\$0				\$0	\$0
5) Indirect A&G Salaries			\$0			\$0				\$0	\$0
6) AAA & YMCA Membership Dues			\$0			\$0				\$0	\$0
7) Unallocated CFO Salary			\$0			\$0				\$0	\$0
8) Employee Activities			\$0			\$0				\$0	\$0
9) Eliminate Entertainment Expenses			\$0			\$0				\$0	\$0
10) Eliminate Life Insurance Expense			\$0			\$0				\$0	\$0
11) AGA Dues			\$0			\$0				\$0	\$0
12) Advertising Expense			\$0			\$0				\$0	\$0
13) Eliminate Charitable Contributions			\$0			\$0				\$0	\$0
14) Non-utility Property Taxes					\$0	\$0				\$0	\$0
15) Interest Synchronization						\$3,335				\$3,335	(\$3,335)
16) Depreciation Expense - Common Plant				(\$9,549)		\$1,679				(\$7,670)	\$7,670
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	(\$9,549)	\$0	\$5,214	\$0	\$0	\$0	(\$4,335)	\$4,335
FPSC ADJUSTED	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,109	\$0	\$0	\$0	\$448,364	\$54,738
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,109	\$0	\$0	\$0	\$448,364	\$54,738
PRO FORMA REVENUE INCREASE & ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$503,102	\$0	\$370,642	\$41,883	\$21,730	\$14,109	\$0	\$0	\$0	\$448,364	\$54,738

INDIANTOWN GAS COMPANY

CAPITAL STRUCTURE
12/31/06
FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$430,986	(\$190,016)		\$240,970	\$0	\$240,970	44.90%	10.50%	4.71%	11.50%	5.16%	12.50%	5.61%
LONG TERM DEBT	\$510,827	(\$225,217)		\$285,610	\$0	\$285,610	53.21%	9.20%	4.89%	9.20%	4.89%	9.20%	4.89%
SHORT TERM DEBT	\$0	\$0		\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$18,156	(\$8,005)		\$10,151		\$10,151	1.89%	11.60%	0.22%	11.60%	0.22%	11.60%	0.22%
TOTAL AVERAGE	\$959,969	(\$423,238)	\$0	\$536,732	\$0	\$536,732	100.00%		9.82%		10.27%		10.72%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$448,511	(\$212,603)		\$235,908		\$235,908	45.57%	10.50%	4.78%	11.50%	5.24%	12.50%	5.70%
LONG TERM DEBT	\$517,830	(\$245,481)		\$272,369		\$272,369	52.61%	9.67%	5.09%	9.67%	5.09%	9.67%	5.09%
SHORT TERM DEBT	\$0	\$0		\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$17,886	(\$8,478)		\$9,408		\$9,408	1.82%	11.77%	0.21%	11.77%	0.21%	11.77%	0.21%
TOTAL YEAR-END	\$984,227	(\$466,542)	\$0	\$517,685	\$0	\$517,685	100.00%		10.08%		10.54%		11.00%

EARNED RETURN ON COMMON EQUITY
 FPSC ADJUSTED BASIS
 12/31/06

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
 INCLUDING CRA REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	10.20%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	4.89%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.22%
		<hr/>
	SUBTOTAL	5.11%
TOTAL		5.09%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		44.90%
JURISDICTIONAL RETURN ON COMMON EQUITY		<u>11.33%</u>

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
 EXCLUDING CRA REVENUES

NET OPERATING INCOME EXCLUDING CRA REVENUES	\$54,736	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING CRA REVENUES	<u>\$536,732</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	10.20%	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	4.89%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.22%
		<hr/>
	SUBTOTAL	5.11%
TOTAL		5.09%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		44.90%
JURISDICTIONAL RETURN ON COMMON EQUITY		<u>11.33%</u>

WORKSHEETS

INDIANTOWN GAS COMPANY

RATE BASE CALCULATION

	13 Month Average 12/31/06	Acquisition Adjustment	Rate case adjust.	Working Capital	Adjusted Rate Base
Gas Plant in Service	\$1,151,027	\$0	(\$120,856)		\$1,030,171
Less: Accum. Depreciation	(\$592,405)	\$0	\$51,080		(\$541,325)
Net Plant	\$558,623	\$0	(\$69,776)	\$0	\$488,847
CWIP	\$15,705				\$15,705
Total Plant in Service	\$574,327	\$0	(\$69,776)	\$0	\$504,551
Add:	\$0	\$0			\$0
Subtotal additions	\$0	\$0	\$0	\$0	\$0
Subtract:	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Subtotal subtractions	\$0	\$0	\$0	\$0	\$0
Rate Base Before Working Capital	\$574,327	\$0	(\$69,776)	\$0	\$504,551
Add: Working Capital	(\$182,303)			\$214,484	\$32,180
Total Rate Base	\$392,024	\$0	(\$69,776)	\$214,484	\$536,732
Rate of Return					10.27%

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE 13-MONTH AVERAGE WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:
12/31/06

COMPANY: INDIANTOWN GAS COMPANY

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT	ADJUSTED AVERAGE		
			CAPITAL STRUCTURE			
	CURRENT AND ACCRUED ASSETS		NON UTILITY	OTHER		
1	Cash	60,445	(20,424)		40,020	
2	A/R - Natural Gas	53,735			53,735	
3	A/R - Propane	82,520	(82,520)		0	
4	A/R - Transporter Fuel	35,851		(35,851)	0	
5	Employee Receivable	32,435		(32,435)	0	
6	Propane Inventory	57,968	(57,968)		0	
7	Appliance Inventory	20,571	(20,571)		0	
8	A/C Inventory	0	0		0	
9	Inventory	17,459	(17,459)		0	
10	Capital parts Inventory	8,295			8,295	
11	Prepaid Federal Income Tax	1,384			1,384	
12	Prepaid State Income Tax	0			0	
13	Suspense Account	(11,448)		11,448	0	
14						
15	Non-utility Plant	371,496	(371,496)		0	
16	Non-Utility Plant - A/D	(225,729)	225,729		0	
17						
18						
19						
20						
21						
22	TOTAL CURRENT ASSETS	505,003	(344,729)	0	(56,841)	103,434
	DEFERRED DEBITS					
23	Deferred Debit - TCR	0			0	
24	Deferred Debit - Rate Case	19,856		(19,856)	0	
25	Deferred Debit - Odorant	405			405	
26	Deferred Debit - Meter Changeout	7,310			7,310	
27						
28						
29						
30						
31						
32						
33						
34	TOTAL DEFERRED DEBITS	27,571	0	0	(19,856)	7,715
35	TOTAL CURRENT AND DEFERRED ASSETS	532,575	(344,729)	0	(76,997)	111,149

WORKING CAPITAL

PAGE 2 OF 2

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: INDIANTOWN GAS COMPANY

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE 13-MONTH AVERAGE
 WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:
 12/31/08

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT LIABILITIES</u>						
1	Accounts Payable	105,241	(35,561)			69,680
2	Transporter Fuel Payable	43,550			(43,550)	0
3	Customer Deposits - Natural	18,136		(18,156)		0
4	Customer Deposits - Propane	27,815	(27,815)			0
5	State Sales Tax Payable	850				850
6	Accrued Fed. Unemployment Tax	141				141
7	Accrued FICA - Company	178				178
8	Accrued FICA - Employee	178				178
9	Federal Withholding	277				277
10	Accrued Medicare - Company	41				41
11	Accrued Medicare - Employee	41				41
12	Accrued Gross Receipts Tax	2,870				2,870
13	Accrued Utility Assessment Fee	724				724
14	401(k) Liability	3,589				3,589
15	Accrued Interest	403				403
16	TOTAL CURRENT LIABILITIES	204,051	(63,376)	(18,156)	(43,550)	78,969
<u>DEFERRED CREDITS AND OPERATING RESERVES</u>						
17	Notes Payable	510,827		(510,827)		0
18	Deferred Payroll	0			0	0
19	PGA Over/Under Recovery	0			0	0
20						
21						
22						
23						
24						
25						
26						
27	TOTAL DEFERRED CREDITS AND OPERATING RESERVES	510,827	0	(510,827)	0	0
28	TOTAL LIABILITIES	714,878	(63,376)	(528,984)	(43,550)	78,969
29	TOTAL ASSETS LESS LIABILITIES	(182,303)	(281,353)	528,984	(33,147)	32,180
30	NET WORKING CAPITAL INCLUDED IN RATE BASE (SCHEDULE)	(182,303)	(281,353)	528,984	(33,147)	32,180

WORKING CAPITAL

PAGE 1 OF 2

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: INDIANTOWN GAS COMPANY

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE YEAR END
 WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:
 12/31/06

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT AND ACCRUED ASSETS</u>						
1	Cash	80,445	(20,424)			40,020
2	A/R - Natural Gas	45,119				45,119
3	A/R - Propane	79,234	(79,234)			0
4	A/R - Transporter Fuel	31,085			(31,085)	0
5	Employee Receivable	50,120			(50,120)	0
6	Propane Inventory	86,366	(86,366)			0
7	Appliance Inventory	24,248	(24,248)			0
8	A/C Inventory	0	0			0
9	Inventory	22,082	(22,082)			0
10	Capital parts Inventory	9,764				9,764
11	Prepaid Federal Income Tax	1,384				1,384
12	Prepaid State Income Tax	0				0
13	Suspense Account	(10,892)			10,892	0
14						
15	Non-utility Plant	368,375	(368,375)			0
16	Non-Utility Plant - A/D	(225,379)	225,379			0
17						
18						
19						
20						
21						
22	TOTAL CURRENT ASSETS	541,951	(375,370)	0	(70,293)	96,288
<u>DEFERRED DEBITS</u>						
23	Deferred Debit - TCR	0				0
24	Deferred Debit - Rate Case	19,888			(19,888)	0
25	Deferred Debit - Odorant	357				357
26	Deferred Debit - Meter Changeout	7,249				7,249
27						
28						
29						
30						
31						
32						
33						
34	TOTAL DEFERRED DEBITS	27,293	0	0	(19,888)	7,605
35	TOTAL CURRENT AND DEFERRED ASSETS	569,244	(375,370)	0	(89,980)	103,894

WORKING CAPITAL

PAGE 2 OF 2

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: INDIANTOWN GAS COMPANY

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE YEAR END
 WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:
 12/31/08

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT LIABILITIES</u>						
1	Accounts Payable	117,908	(39,841)			78,067
2	Transporter Fuel Payable	33,197			(33,197)	0
3	Customer Deposits - Natural	17,886		(17,886)		0
4	Customer Deposits - Propane	27,975	(27,975)			0
5	State Sales Tax Payable	909				909
6	Accrued Fed. Unemployment Tax	65				65
7	Accrued FICA - Company	201				201
8	Accrued FICA - Employee	201				201
9	Federal Withholding	307				307
10	Accrued Medicare - Company	47				47
11	Accrued Medicare - Employee	47				47
12	Accrued Gross Receipts Tax	(1,113)				(1,113)
13	Accrued Utility Assessment Fee	1,446				1,446
14	401(k) Liability	4,808				4,808
15	Accrued Interest	615				615
16	TOTAL CURRENT LIABILITIES	204,298	(67,816)	(17,886)	(33,197)	85,399
<u>DEFERRED CREDITS AND OPERATING RESERVES</u>						
17	Notes Payable	517,830		(517,830)		0
18	Deferred Payroll	0			0	0
19	PGA Over/Under Recovery	0			0	0
20						
21						
22						
23						
24						
25						
26						
27	TOTAL DEFERRED CREDITS AND OPERATING RESERVES	517,830	0	(517,830)	0	0
28	TOTAL LIABILITIES	722,128	(67,816)	(535,718)	(33,197)	85,399
29	TOTAL ASSETS LESS LIABILITIES	(152,884)	(307,554)	535,718	(56,784)	18,495
30	NET WORKING CAPITAL INCLUDED IN RATE BASE (SCHEDULE)	(152,884)	(307,554)	535,718	(56,784)	18,495

Indiantown Gas Company
Cash Adjustment

Dec-03	\$129,727
Jan-04	(\$34,061)
Feb-04	\$10,080
Mar-04	\$48,576
Apr-04	\$58,343
May-04	\$63,967
Jun-04	\$97,866
Jul-04	\$70,014
Aug-04	\$59,996
Sep-04	\$67,713
Oct-04	\$38,113
Nov-04	\$40,666
Dec-04	\$49,879
Jan-05	\$60,935
Feb-05	\$58,212
Mar-05	\$53,651
Apr-05	\$50,350
May-05	\$102,696
Jun-05	\$64,583
Jul-05	63901.44
Aug-05	80947.94
Sep-05	74403.76
Oct-05	116764.53
Nov-05	63442.12
Dec-05	171403.03
Jan-06	43076.24
Feb-06	55938.11
Mar-06	7750.94
Apr-06	53751.31
May-06	59031
Jun-06	36873.61
Jul-06	13692.83
Aug-06	35165.15
Sep-06	34361.95
Oct-06	57849.81
Nov-06	57795.81
Dec-06	58557.26
36 Month Total	\$2,176,012
36 Month Average	\$60,445

INDIANTOWN GAS COMPANY

INCOME TAX ADJUSTMENTS

	Year Ending 12/31/2006		Average 13 Months Ended 12/31/2006	
Rate Base	\$517,685		\$536,732	
Less: Interest on LTD	\$26,350	5.09%	\$26,246	4.89%
Interest on STD	\$0	0.00%	\$0	0.00%
Int. on Cust. Dep.	\$1,087	0.21%	\$1,181	0.22%
Imputed Int. Deduction	<u>\$27,437</u>		<u>\$27,427</u>	
Interest per books	\$44,390		\$44,390	
Difference	\$16,953		\$16,963	
Times effective tax rate	0.19675		0.19675	15% Tax Bracket
Interest synchronization adjustment	<u>\$3,335</u>		<u>\$3,337</u>	

		Tax Brackets	
Revenue	1.000	< 50,000	15.00%
State Tax Rate	0.055	50,001 - 75,000	25.00%
Subject to Fed Tax	0.945	75,001 - 100,000	34.00%
Fed Tax Rate	0.150	100,001 - 500,000	35.00%
Result	0.14175		
Combined Fed & State	0.19675		

INDIANTOWN GAS COMPANY
COMPOSITE COST RATE OF DEBT
12/31/06

DEBT INSTRUMENT	December 2005	January 2006	February 2006	March 2006	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	13 Month Avg
224.1 - FBI Consolidation Loan	189,750	188,000	186,250	184,500	182,750	181,000	157,500	155,284	152,202	150,363	148,813	146,883	144,999	157,544
224.2 - FBI 2ND CREDIT LINE	34,600	34,374	(216)	34,782	34,504	34,503	84,504	85,095	99,095	98,891	98,891	98,891	98,777	64,361
224.3 - N/P FBI FORD F-450	9,970	9,131	8,293	7,455	6,618	5,778	4,939	4,170	3,359	1,719	1,719	(76)	0	4,852
224.4 - Const Loan-FNB	37,202	35,900	34,598	33,296	31,994	30,692	29,390	28,088	26,786	24,182	24,182	22,880	0	27,830
224.5 - FBI 3rd Credit Line	137,700	136,028	136,028	132,884	131,013	129,341	127,689	131,234	131,234	129,571	127,900	126,228	128,182	131,139
224.6 - N/P Powers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
224.7 - N/P F-250	13,496	13,084	12,673	12,261	11,849	11,437	11,026	10,814	10,202	9,790	9,379	8,967	7,497	10,944
224.8 - Stockholder Loans	0	0	0	0	0	0	0	0	0	0	(24,000)	(44,000)	(44,000)	(8,615)
224.9 - FBI 1st Credit Line	(110,574)	(109,279)	107,983	106,888	105,393	104,097	102,802	107,135	106,284	105,550	104,255	102,980	101,664	71,918
Total Long-Term Debt	292,144	287,239	485,609	491,666	484,119	476,848	517,830	521,820	529,141	520,066	490,938	462,712	437,119	459,773
Total Interest Expense	5430	2134	2081	2043	2102	2290	1997	13353	4765	5176	2107	2797	-1884	44390
Interest on Customer Deposits	895	110	0	110	110	110	110	0	220	110	110	0	220	2105
Interest on L/T Debt	4534	2024	2081	1933	1992	2180	1887	13353	4545	5066	1997	2797	-2104	42285

Year-end L/T Debt Interest Rate 9.87%
13-month Average L/T Debt Interest Rate 9.20%

ALLOCATION OF COMMON PLANT

		PLANT		
Acct. #	Acct. Name	13 Mo. Avg.	Percent Non-Utility	Non-Utility Adjustment
389	Land	\$12,500	33.79%	\$4,224
390	Structures & Improvements	\$171,895	33.79%	\$58,083
391.4	Computer Equipment	\$30,468	33.79%	\$10,295
391.2	Office Furniture	\$27,774	33.79%	\$9,385
392	Transportation Equipment	\$93,510	33.79%	\$31,597
394	Tools, Shop & Garage	\$5,928	0.00%	\$0
396	Power Operated Equipment	\$27,804	0.00%	\$0
397	Communications Equipment	\$3,633	33.79%	\$1,227
398	Other Equipment	\$12,354	33.79%	\$4,174
399	Computer Software	\$5,535	33.79%	\$1,870
Total Common Plant		\$391,397		\$120,856

		ACCUMULATED DEPRECIATION		
Acct. #	Acct. Name	13 Mo. Avg.	Percent Non-Utility	Non-Utility Adjustment
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	(\$32,997)	33.79%	(\$11,150)
391.4	Computer Equipment	(\$32,234)	33.79%	(\$10,892)
391.2	Office Furniture	(\$8,332)	33.79%	(\$2,815)
392	Transportation Equipment	(\$72,090)	33.79%	(\$24,359)
394	Tools, Shop & Garage	(\$2,996)	0.00%	\$0
396	Power Operated Equipment	(\$6,998)	0.00%	\$0
397	Communications Equipment	(\$2,487)	33.79%	(\$840)
398	Other Equipment	(\$1,323)	33.79%	(\$447)
399	Computer Software	(\$1,706)	33.79%	(\$577)
Total Common Plant		(\$161,163)		(\$51,080)

		DEPRECIATION		
Acct. #	Acct. Name	Depreciation	Percent Non-Utility	Non-Utility Adjustment
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	\$4,655	33.79%	\$1,573
391.4	Computer Equipment	\$4,258	33.79%	\$1,439
391.2	Office Furniture	\$1,504	33.79%	\$508
392	Transportation Equipment	\$14,993	33.79%	\$5,066
394	Tools, Shop & Garage	\$327	0.00%	\$0
396	Power Operated Equipment	\$1,917	0.00%	\$0
397	Communications Equipment	\$327	33.79%	\$111
398	Other Equipment	\$1,322	33.79%	\$447
399	Computer Software	\$1,199	33.79%	\$405
Total Common Plant		\$30,503		\$9,549

PLANT				
<u>Acct. #</u>	<u>Acct. Name</u>	<u>Year End</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$12,500	33.79%	\$4,224
390	Structures & Improvements	\$171,895	33.79%	\$58,083
391.4	Computer Equipment	\$30,468	33.79%	\$10,285
391.2	Office Furniture	\$27,774	33.79%	\$9,385
392	Transportation Equipment	\$83,510	33.79%	\$31,597
394	Tools, Shop & Garage	\$5,926	0.00%	\$0
396	Power Operated Equipment	\$35,784	0.00%	\$0
397	Communications Equipment	\$3,633	33.79%	\$1,227
398	Other Equipment	\$13,647	33.79%	\$4,611
399	Computer Software	\$5,535	33.79%	\$1,870
Total Common Plant		\$400,681		\$121,293

ACCUMULATED DEPRECIATION				
<u>Acct. #</u>	<u>Acct. Name</u>	<u>Year End</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	(\$32,997)	33.79%	(\$11,150)
391.4	Computer Equipment	(\$32,545)	33.79%	(\$10,997)
391.2	Office Furniture	(\$8,332)	33.79%	(\$2,815)
392	Transportation Equipment	(\$72,090)	33.79%	(\$24,359)
394	Tools, Shop & Garage	(\$2,998)	0.00%	\$0
396	Power Operated Equipment	(\$8,910)	0.00%	\$0
397	Communications Equipment	(\$2,487)	33.79%	(\$840)
398	Other Equipment	(\$1,310)	33.79%	(\$443)
399	Computer Software	(\$1,706)	33.79%	(\$577)
Total Common Plant		(\$161,374)		(\$51,181)

* Percentages are from the rate case adjustments per PSC