

**INDIANTOWN GAS COMPANY**  
**INVESTOR-OWNED NATURAL GAS UTILITY**  
**EARNINGS SURVEILLANCE REPORT**  
**PERIOD ENDING: DECEMBER 31, 2008**

RATE OF RETURN REPORT SUMMARY  
12/31/08

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 25,019	-\$ 3,585	\$ 21,435	\$ 0	\$ 21,435
AVERAGE RATE BASE	\$ 39,081	\$ 511,128	\$ 550,209	\$ 0	\$ 550,209
AVERAGE RATE OF RETURN	64.02%		3.90%		3.90%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 25,019	-\$ 2,943	\$ 22,077	\$ 0	\$ 22,077
YEAR-END RATE BASE	\$ 112,954	\$ 423,801	\$ 536,755	\$ 0	\$ 536,755
YEAR-END RATE OF RETURN	22.15%		4.11%		4.11%

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

LOW	8.80%
MIDPOINT	9.26%
HIGH	9.73%

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

A.	INCL COMP RATE ADJ REVENUES	-0.14%
B.	EXCL COMP RATE ADJ REVENUES	-0.14%

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. 775.062, s. 775.063, or s. 775.084.

Melissa Powers  
Chief Financial Officer

*Melissa M. Powers*  
Signature

3-13-09  
Date

INDIANTOWN GAS COMPANY

**AVERAGE RATE OF RETURN**  
FOR THE THIRTEEN MONTHS ENDED 12/31/08  
RATE BASE

	(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	\$1,114,197	(\$592,298)	\$521,899	\$0	\$8,750	\$530,649	(\$491,568)	\$39,081
FPSC ADJUSTMENTS:								
			\$0	\$0		\$0		\$0
			\$0	\$0		\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$511,128	\$511,128
COMMON PLANT - NON-UTILITY OPERATIONS	\$0	\$0	\$0			\$0		\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$511,128	\$511,128
FPSC ADJUSTED	\$1,114,197	(\$592,298)	\$521,899	\$0	\$8,750	\$530,649	\$19,560	\$550,209
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,114,197	(\$592,298)	\$521,899	\$0	\$8,750	\$530,649	\$19,560	\$550,209
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	\$1,114,197	(\$592,298)	\$521,899	\$0	\$8,750	\$530,649	\$19,560	\$550,209

INDIANTOWN GAS COMPANY

AVERAGE RATE OF RETURN  
FOR THE THIRTEEN MONTHS ENDED 12/31/08  
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.J.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$8,340	\$0	\$0	\$0	\$580,859	\$25,019
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						\$3,585				\$3,585	(\$3,585)
16) Depreciation Expense - Common Plant				\$0		\$0				\$0	\$0
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$3,585	\$0	\$0	\$0	\$3,585	(\$3,585)
FPSC ADJUSTED	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,925	\$0	\$0	\$0	\$584,444	\$21,435
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,925	\$0	\$0	\$0	\$584,444	\$21,435
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	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,925	\$0	\$0	\$0	\$584,444	\$21,435

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN  
FOR THE YEAR ENDED 12/31/08  
RATE BASE

	(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	\$1,112,274	(\$608,844)	\$503,430	\$0	\$1,202	\$504,632	(\$391,678)	\$112,954
FPSC ADJUSTMENTS:								
0	\$0	\$0	\$0			\$0		\$0
0	\$0	\$0	\$0			\$0		\$0
0	\$0	\$0	\$0			\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$423,801	\$423,801
COMMON PLANT - NON-UTILITY OPERATIONS	\$0	\$0	\$0			\$0		\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$423,801	\$423,801
FPSC ADJUSTED	\$1,112,274	(\$608,844)	\$503,430	\$0	\$1,202	\$504,632	\$32,123	\$536,755
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,112,274	(\$608,844)	\$503,430	\$0	\$1,202	\$504,632	\$32,123	\$536,755
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	\$1,112,274	(\$608,844)	\$503,430	\$0	\$1,202	\$504,632	\$32,123	\$536,755

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN  
FOR THE YEAR ENDED 12/31/08  
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	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$8,340	\$0	\$0	\$0	\$590,859	\$25,019
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						\$2,943				\$2,943	(\$2,943)
16) Depreciation Expense - Common Plant				\$0		\$0				\$0	\$0
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$2,943	\$0	\$0	\$0	\$2,943	(\$2,943)
FPSC ADJUSTED	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,283	\$0	\$0	\$0	\$593,802	\$22,077
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,283	\$0	\$0	\$0	\$593,802	\$22,077
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	\$815,878	\$0	\$522,777	\$46,050	\$13,892	\$11,283	\$0	\$0	\$0	\$593,802	\$22,077

INDIANTOWN GAS COMPANY

CAPITAL STRUCTURE  
12/31/08  
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	\$ 397,543	-\$ 143,741		\$ 253,802	\$ 0	\$ 253,802	46.13%	10.50%	4.84%	11.50%	5.30%	12.50%	5.77%
LONG TERM DEBT	\$ 444,881	-\$ 160,785		\$ 283,896	\$ 0	\$ 283,896	51.60%	7.34%	3.79%	7.34%	3.79%	7.34%	3.79%
SHORT TERM DEBT	\$ 0	\$ 0		\$ 0	\$ 0	\$ 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 19,597	-\$ 7,086		\$ 12,511		\$ 12,511	2.27%	7.30%	0.17%	7.30%	0.17%	7.30%	0.17%
<b>TOTAL AVERAGE</b>	<b>\$ 861,822</b>	<b>-\$ 311,612</b>	<b>\$ 0</b>	<b>\$ 550,209</b>	<b>\$ 0</b>	<b>\$ 550,209</b>	<b>100.00%</b>		<b>8.80%</b>		<b>9.28%</b>		<b>9.73%</b>

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	\$ 386,096	-\$ 114,508		\$ 271,590		\$ 271,590	50.80%	10.50%	5.31%	11.50%	5.82%	12.50%	6.32%
LONG TERM DEBT	\$ 356,888	-\$ 105,844		\$ 251,045		\$ 251,045	46.77%	9.15%	4.28%	9.15%	4.28%	9.15%	4.28%
SHORT TERM DEBT	\$ 0	\$ 0		\$ 0		\$ 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 20,073	-\$ 5,953		\$ 14,120		\$ 14,120	2.83%	7.12%	0.19%	7.12%	0.19%	7.12%	0.19%
<b>TOTAL YEAR-END</b>	<b>\$ 763,058</b>	<b>-\$ 226,302</b>	<b>\$ 0</b>	<b>\$ 536,755</b>	<b>\$ 0</b>	<b>\$ 536,755</b>	<b>100.00%</b>		<b>9.78%</b>		<b>10.28%</b>		<b>10.78%</b>

EARNED RETURN ON COMMON EQUITY  
 FPSC ADJUSTED BASIS  
 12/31/08

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	3.90%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	3.79%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.17%
		<hr/>
	SUBTOTAL	3.98%
TOTAL		-0.06%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		48.13%
JURISDICTIONAL RETURN ON COMMON EQUITY		<hr/> -0.14%

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

NET OPERATING INCOME EXCLUDING CRA REVENUES	\$21,435	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING CRA REVENUES	<hr/> \$550,209	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	3.90%	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	3.79%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.17%
		<hr/>
	SUBTOTAL	3.98%
TOTAL		-0.06%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		48.13%
JURISDICTIONAL RETURN ON COMMON EQUITY		<hr/> -0.14%



**WORKSHEETS**

INDIANTOWN GAS COMPANY

INCOME STATEMENT  
PER BOOKS

TEST YEAR	Operating Revenues	Gas Expense	O&M	Deprec. & Amortization	Taxes Other Than Income	Income Tax Current	Total Operating Expense	Net Operating Income
Jan-08	59,469	0	63,873	3,815	2137.18	-2,589	67,236	-7,767
Feb-08	55,299	0	24,553	3,815	618.18	6,578	35,564	19,735
Mar-08	70,504	0	46,711	3,774	1258.76	4,690	56,434	14,070
Apr-08	89,306	0	43,621	3,815	1141.34	10,182	58,759	30,546
May-08	57,820	0	39,518	3,815	1116.32	3,343	47,792	10,028
Jun-08	48,361	0	77,026	3,815	1105.55	-8,396	73,550	-25,189
Jul-08	29,780	0	52,215	3,815	1719.09	-6,992	50,757	-20,976
Aug-08	30,112	0	27,141	3,815	454.15	-324	31,085	-973
Sep-08	33,951	0	36,380	3,916	863.47	-1,802	39,357	-5,406
Oct-08	26,341	0	33,053	3,882	994.98	-2,897	35,033	-8,692
Nov-08	53,082	0	34,152	3,886	1139.67	3,476	42,654	10,428
Dec-08	61,853	0	44,535	3,889	1142.97	3,072	52,639	9,215
12 Month Total	615,878	0	522,777	46,050	13,692	8,340	590,859	25,019

INDIANTOWN GAS COMPANY

RATE BASE CALCULATION

	13 Month Average 12/31/08	Acquisition Adjustment	Rate case adjust.	Working Capital	Adjusted Rate Base
Gas Plant in Service	\$1,114,197	\$ 0	\$ 0		\$ 1,114,197
Less: Accum. Depreciation	<u>-\$ 592,298</u>	<u>\$ 0</u>	<u>\$ 0</u>		<u>-\$ 592,298</u>
Net Plant	\$ 521,899	\$ 0	\$ 0	\$ 0	\$ 521,899
CWIP	<u>\$ 8,750</u>				<u>\$ 8,750</u>
Total Plant in Service	<u>\$ 530,649</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 530,649</u>
Add:	\$ 0	\$ 0			\$ 0
Subtotal additions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Subtract:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal subtractions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Rate Base Before Working Capital	<u>\$ 530,649</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 530,649</u>
Add: Working Capital	-\$ 491,568			\$ 511,128	\$ 19,560
Total Rate Base	<u>\$ 39,081</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 511,128</u>	<u>\$ 550,209</u>
Rate of Return					<u>9.26%</u>
Return Requirement					<u>\$50,949</u>

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:  
12/31/08

COMPANY: INDIANTOWN GAS COMPANY

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT AND ACCRUED ASSETS</u>						
1	Cash	63,924				63,924
2	A/R - Natural Gas	35,753				35,753
3						0
4	A/R - Transporter Fuel	22,930	0		-22,930	0
5					0	0
6			0			0
7			0			0
8		0	0			0
9			0			0
10						0
11	Prepaid Federal Income Tax	1,384				1,384
12	Prepaid State Income Tax	0				0
13	Suspense Account	-2,653			2,653	0
14			0			0
15			0			0
16						0
17						0
18						0
19						0
20						0
21						0
22	TOTAL CURRENT ASSETS	121,337	0	0	-20,276	101,061
<u>DEFERRED DEBITS</u>						
23	Deferred Debit - TCR	0				0
24	Deferred Debit - Rate Case	0			0	0
25	Deferred Debit - Odorant	0				0
26	Deferred Debit - Meter Changeout	0				0
27						0
28						0
29						0
30						0
31						0
32						0
33						0
34	TOTAL DEFERRED DEBITS	0	0	0	0	0
35	TOTAL CURRENT AND DEFERRED ASSETS	121,337	0	0	-20,276	101,061

WORKING CAPITAL

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
			CAPITAL STRUCTURE	
	CURRENT LIABILITIES		NON UTILITY	OTHER
1	Accounts Payable	63,797		63,797
2	Transporter Fuel Payable	37,588		0
3	Customer Deposits - Netural	19,597	-19,597	0
4			0	0
5	State Sales Tax Payable	417		417
6	Accrued Fed. Unemployment Tax	196		196
7	Accrued FICA - Company	2,715		2,715
8	Accrued FICA - Employee	0		0
9	Federal Withholding	5,169		5,169
10	Accrued Medicare - Company	2,040		2,040
11	Accrued Medicare - Employee	0		0
12	Accrued Gross Receipts Tax	1,990		1,990
13	Accrued Utility Assessment Fee	974		974
14	401(k) Liability	3,943		3,943
15	Accrued Interest	260		260
16	<b>TOTAL CURRENT LIABILITIES</b>	<b>138,686</b>	<b>0</b>	<b>-37,588</b>
				<b>81,501</b>
	<b>DEFERRED CREDITS AND OPERATING RESERVES</b>			
17	Notes Payable	444,681	-444,681	0
18	Deferred Payroll	29,538		-29,538
19	PGA Over/Under Recovery	0		0
20				
21				
22				
23				
24				
25				
26				
27	<b>TOTAL DEFERRED CREDITS AND OPERATING RESERVES</b>	<b>474,220</b>	<b>0</b>	<b>-444,681</b>
				<b>-29,538</b>
28	<b>TOTAL LIABILITIES</b>	<b>812,905</b>	<b>0</b>	<b>-67,126</b>
				<b>81,501</b>
29	<b>TOTAL ASSETS LESS LIABILITIES</b>	<b>-491,568</b>	<b>0</b>	<b>46,850</b>
				<b>19,560</b>
30	<b>NET WORKING CAPITAL INCLUDED IN RATE BASE (SCHEDULE)</b>	<b>-491,568</b>	<b>0</b>	<b>46,850</b>
				<b>19,560</b>

Indiantown Gas Company  
Cash Adjustment

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
Jan-07	75136.97
Feb-07	100913.92
Mar-07	92683.28
Apr-07	48357.91
May-07	64161.5
Jun-07	102264.77
Jul-07	65073.02
Aug-07	43779.73
Sep-07	63436.6
Oct-07	57100.64
Nov-07	93011.53
Dec-07	85452.56
Jan-08	-382.98
Feb-08	23,777.03
Mar-08	53,337.20
Apr-08	80,613.46
May-08	118,190.45
Jun-08	82,879.30
Jul-08	-31,569.57
Aug-08	79,675.27
Sep-08	85,572.37
Oct-08	84,070.63
Nov-08	93,072.42
Dec-08	55,398.64
<b>36 Month Total</b>	<b>\$2,301,254</b>
<b>36 Month Average</b>	<b>\$63,924</b>

INDIANTOWN GAS COMPANY  
 INCOME TAX ADJUSTMENTS

	Year Ending 12/31/08		Average 13 Months Ended 12/31/08	
Rate Base	\$536,755		\$550,209	
Less: Interest on LTD	\$22,973	4.28%	\$20,853	3.79%
Interest on STD	\$0	0.00%	\$0	0.00%
Int. on Cust. Dep.	\$1,020	0.19%	\$935	0.17%
Imputed Int. Deduction	<u>\$23,993</u>		<u>\$21,788</u>	
Interest per books	\$ 34,097		\$ 34,097	
Difference	\$ 10,104		\$ 12,309	
Times effective tax rate	0.29125		0.29125	15% Tax Bracket
Interest synchronization adjustment	<u>\$ 2,943</u>		<u>\$ 3,585</u>	

INDIANTOWN GAS COMPANY  
COMPOSITE COST RATE OF DEBT  
12/31/08

DEBT INSTRUMENT	December 2007	January 2008	February 2008	March 2008	April 2008
224.1 · FBI Consolidation Loan	125,661	125,661	123,911	122,161	118,661
224.2 · FBI 2ND CREDIT LINE	97,725	95,975	95,404	95,404	92,982
224.3 · N/P FBI FORD F-450	0	0	0	0	0
224.4 · Const Loan-FNB	0	0	0	0	0
224.5 · FBI 3rd Credit Line	119,178	119,178	115,298	115,298	113,405
224.6 · N/P Powers	0	0	0	0	0
224.7 · N/P F-250	1,675	936	936	936	936
224.8 · Stockholder Loans	6,600	6,600	1,600	1,600	1,600
224.9 · FBI 1st Credit Line	147,015	147,015	144,295	144,295	141,639
<b>Total Long-Term Debt</b>	<b>497,853</b>	<b>495,364</b>	<b>481,442</b>	<b>479,692</b>	<b>469,223</b>
<b>Total Interest Expense</b>	<b>12517.01</b>	<b>893.88</b>	<b>1322.5</b>	<b>1992.07</b>	<b>2715.08</b>
Interest on Customer Deposits	110	110	110	110	110
Interest on L/T Debt	12407	784	1213	1882	2605



May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008
116,911	116,911	113,411	107,310	105,560	103,810	102,060	100,310
92,982	28,438	-36,783	93,009	112,009	112,009	500	112,500
0	0	0	0	0	0	0	0
0	0	-1,893	-1,893	-1,893	-1,893	-1,893	0
111,512	109,619	109,619	107,726	105,833	105,833	103,846	98,072
0	0	1,600	0	0	0	0	0
936	936	936	936	936	936	936	936
0	0	1,600	0	0	0	112,000	0
140,344	140,344	138,975	138,505	138,505	136,254	136,254	45,070
462,685	396,247	327,465	445,593	460,950	456,950	453,703	356,888
4200.42	565.51	3581.56	846.22	2413.31	1029.62	989.85	1029.87
110	110	110	110	110	110	110	110
4090	456	3472	736	2303	920	880	920

Year-end L/T Debt Interest Rate  
13-month Average L/T Debt Interest Ra

**13 Month  
Avg**

114,026  
76,320  
0  
-728  
110,340  
123  
993  
10,123  
133,731  
  
444,927  
  
34097  
1430  
32667

ite

9.15%  
7.34%