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MEMORANDUM

November 2, 19

**DECLASSIFIED**

TO: \_\_\_\_\_ DIVISION OF APPEALS  
 \_\_\_\_\_ DIVISION OF AUDITING AND FINANCIAL ANALYSIS  
 \_\_\_\_\_ DIVISION OF COMMUNICATIONS  
X \_\_\_\_\_ DIVISION OF ELECTRIC AND GAS  
 \_\_\_\_\_ DIVISION OF RESEARCH  
 \_\_\_\_\_ DIVISION OF WATER AND WASTEWATER  
 \_\_\_\_\_ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (FLYNN)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO. 11103-94 *declassified 5/29/96*

DESCRIPTION: Late-Filed Exhibit No. 16 to deposition  
of Jerry Wutzler

SOURCE: City Gas Company of Florida

DOCKET NO.: 940276-GU

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

-----  
Please read each of the following and check if applicable.

\_\_\_\_\_ The document(s) is (are), in fact, what the utility asserts it (them) to be.

\_\_\_\_\_ The utility has provided enough details to perform a reasoned analysis of its request.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of City Gas Company ) Docket No. 940276-GU  
of Florida for an Increase in its )  
Rates and Charges. ) Filed: November 1, 1994

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**CITY GAS COMPANY OF FLORIDA'S REQUEST FOR  
CONFIDENTIAL CLASSIFICATION AND  
MOTION FOR PERMANENT PROTECTIVE ORDER**

City Gas Company of Florida (City Gas or the Company), pursuant to section 366.093, Florida Statutes, and rule 25-22.006(4), Florida Administrative Code, files this request for confidential classification and a permanent protective order regarding late-filed deposition number 16 to the deposition of Jerry Wutzler. As grounds therefor, City Gas states:

1. In the deposition of Jerry Wutzler held on October 21, 1994, Staff requested as a late-filed deposition exhibit documents dealing with the due diligence review conducted by the Company related to the purchase of Western Energy.

2. Such documents are the subject of a Confidentiality and Non-Disclosure Agreement (Agreement) executed between Elizbethtown Gas (ETG) and Western Energy. A copy of the Agreement is provided with the confidential documents. The documents are bate stamped 000001 - 000027. The Agreement provides that ETG will be provided with information concerning Western Energy. The agreement further states:

As a condition to ETG being furnished such information, ETG agrees to treat any information concerning Western, which is furnished to ETG by or on behalf of Western

DOCUMENT NUMBER-DATE

11103 NOV-1 1994

FPSC-RECORDS/REPORTING

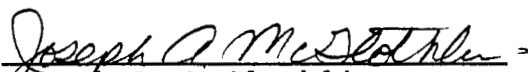
and which is not otherwise in the public domain or known or becomes known to ETG from or by other sources (herein collectively referred to as the "Confidential Material"), in accordance with the provisions of this Agreement.

The provisions of the Agreement require ETG to keep the information confidential but provide that it may be disclosed to regulators. City Gas is complying with that provision of the Agreement by filing this request for confidential classification.

3. The information is proprietary because City Gas and ETG are required to keep it confidential pursuant to the terms of their Agreement. Agreements of this type are in the public interest because they allow parties to keep sensitive information confidential in order to facilitate the exchange of information.

4. City Gas has not provided a line by line justification as set out in rule 25-22.006(4)(c) because City Gas seeks confidential status for all of the documents attached pursuant to its Agreement with Western Energy.

WHEREFORE, City Gas requests that the Commission enter an order protecting the information delineated herein from disclosure in the public record.

  
Joseph A. McGlothlin  
Joseph A. McGlothlin  
Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin  
Davidson & Bakas  
315 South Calhoun Street  
Suite 716  
Tallahassee, Florida 32301  
904/222-2525

Attorneys for City Gas Company  
of Florida

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of City Gas Company of Florida's Request for Confidential Classification and Motion for Permanent Protective Order has been hand delivered to Robert Christ, Division of Legal Services, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399, this 1st day of November, 1994.

  
Joseph A. McGlothlin

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## WESTERN ENERGY

### Preliminary Due Diligence Document Request List

#### I. Financial Information

- \* A. Forecast for Western Energy for the next three years, including capital and operating budget numbers. SEE EXHIBIT
- B. Analysis of detail of expenses allocated or charged between Western Energy and Tri-County and any other affiliate for the last three years. SEE EXHIBIT
- \* C. Capital and operating budgets for last three years. SEE EXHIBIT
- \* D. Capital expenditure detail for the last three years. PROVIDED BY ABA FINANCIAL 9-1-92 ( DEPRECIATION SCHEDULE )
- E. Cash flow forecast for the next three years. NOT AVAILABLE
- F. Last three years audited financial statements: NOT AVAILABLE
- \* G. Summary of accounting policies and procedures and any changes during the last three years. SEE EXHIBIT
- \* H. Last two years quarterly financial statements. SEE EXHIBIT - 1992 only 3/92 11 6/92
- \* I. Current year monthly financial statements. SEE EXHIBIT 3/92

#### J. Balance Sheet Information:

- \* 1. List of all assets to be acquired by buyer. SEE EXHIBIT
- \* 2. Copy of depreciation rates used. SCHEDULE PROVIDED 9-1-92 BY ABA FINANCIAL S.C.T.
- \* 3. Schedule of accounts receivable and aging. SEE EXHIBIT
- \* 4. Schedule of Impact fees due and payable. SEE EXHIBIT & COVENANTS
- 5. Schedule of inventory items with original cost. NONE AT THIS TIME/POSSIBLE GAS AT CLOSING
- 6. Schedule of accounts payable. NONE
- \* 7. List bad debt reserve and all write-offs over the last two years. SEE EXHIBIT
- \* 8. List all franchises or licenses with expiration dates. SEE EXHIBIT
- 9. Schedule of all assessments. NONE
- 10. Schedule of any liens on any property. NONE
- 11. Schedule of any contingent liabilities. NONE
- \* 12. Listing of all long term debt, including principal amounts and payment schedules. SEE EXHIBIT

K. Auditor's internal control report. NONE

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- \* L. Monthly management reports for last twelve months. SEE EXHIBIT
- \* M. Copies of Company tax returns for the last three years. PROVIDED 9-1-92 ✓
- \* N. Copies of current rate schedules and note any changes during the last three years. SEE EXHIBIT
- \* O. List of current service work charges. SEE EXHIBIT
- \* P. List of all uncompleted construction in progress. SEE EXHIBIT
- \* Q. List of any leased appliances (if applicable) and copies of lease agreements. SEE EXHIBIT

K. Billing Information:

1. Copies of latest billing registers. SEE EXHIBIT
  2. Explanation of how accounts are billed. SEE EXHIBITS N & O
  3. Describe cycle involved. SEE EXHIBITS N & O
  4. If computerized, statement regarding ability to download customer information into City Gas system.
  5. Statement as to logical cut-off for billing purposes.
  6. Billing analysis by rate class, including number of bills, gallons/therms and revenue for the latest 12 month period. SEE EXHIBITS I-L
- S. List of customer deposits (if applicable) by account along with accrued interest and method of accruing and paying interest. NONE
- \* T. Copy of insurance policies in effect. SEE EXHIBIT

II. Legal Information

- \* A. Copies of all agreements between Western Energy and The Thomas White Company. SEE EXHIBITS UNDER SEPARATE COVER - MODIFICATION & DISSOLUTION
- \* B. Copies of all agreements between Western and any other entity and/or affiliate. SEE EXHIBIT
- C. Copies of all franchise or license agreements. SEE EXHIBIT
- D. Copies of all leases, if any, expected to be assumed by buyer. NONE
- \* E. Copies of all rights of way or easements. SEE EXHIBITS - COMMENTS ON EACH PLAT BOUND BY DEVELOPER AGREEMENT
- F. Copies of any other contracts or agreements in effect or in the future. NONE
- \* G. Copy of Certificate of Incorporation and Bylaws. SEE EXHIBIT
- \* H. Board of Directors minutes for the last two years. SEE EXHIBIT
- \* I. List of all shareholders and % ownership. SEE EXHIBIT

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J. List of any pending or contemplated litigation. NONE

\* K. Copies of any correspondence with attorneys within the last two years. NONE

III. Operations Information *ALL*

\* A. Breakdown of O&M expenses for last three years. PROVIDED 9-1-92 (SEE TAX RETURN INFORMATION)

\* B. Distribution system maps and description of the operating system ( as built, sectional, type of mains, size, footage, age, operating pressures, capacities, maximum daily delivery obligation, peak day pressure map, etc.) SEE EXHIBIT - MAP PROVIDED TO RICK WAHL 7/14/92

C. Corrosion control report. All cathodic structure information, anode or rectifier information (if applicable). ALL MAINS ARE PLASTIC AND ALL EXTERIOR PIPING AND METER SETS PAINTED

\* D. All leak survey history. Leak clearance report. Extent leaks are repaired or left. Level of unaccounted for gas. SEE EXHIBIT

\* E. Valve maintenance schedule and history. SEE EXHIBIT

\* F. List of notification of deficiencies by Florida LP Gas division. SEE EXHIBIT

\* G. Description of non system fixed assets being sold. (Land, buildings, vehicles, right of ways, computer systems, etc.) SEE EXHIBIT I-J-1

\* H. Description of meters in use. (Type, age, change out policy, etc.) SEE EXHIBIT

\* I. Description of house heating, water heating and clothes drying saturation level. SEE EXHIBIT

\* J. Description of storage facilities (location, age, capacity, etc.) Plant volumes for last two years. SEE EXHIBIT

K. DOT reports for last three years. ONLY REQUIRED ON LOOPED SYSTEMS/100 CUSTOMERS AND ABOVE PER ALLEN BIBBLER, FLORIDA LP GAS DIVISION

L. Description of system pressure problems if any. NONE

\* M. List of all work orders (from installation and repairs) permits, plats, types of easements and PSI tests. SEE EXHIBIT

N. Any other purchase or construction commitments/contracts. NONE

\* O. Summary of environmental issues or liabilities. SEE EXHIBIT



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Western Energy Sales

	<u>1991</u>	<u>1990</u>	<u>1989</u>
Impact Fees	7,000	8,000	4,600
Connect Fees	144		527
Service Fees	4,295		110
Appliances	29,443		4,806
Installation	31,800		8,229
Other Sales	<u>50,557</u>	<u>98,556</u> *	<u>1,794</u>
Total	# 123,240	# 96,556	# 31,922

Not able to break out. This figure included gas and non gas sales.

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<u>Services</u>		
43	3/31	Nature Keeper
428	4/31	Lane Piping
1351	4/31	Keweenaw Energy
54	3/31	Scotties
20	3/31	NIS Supply
42	3/31	Tempaco
35	3/31	Turner Ltd.
308	4/30	Ferguson
423	4/30	Lane Piping
454	4/30	Rutherford Energy
1376	5/31	Lane Piping
5	5/31	Turner Ltd.
67	5/31	A-1 Metal
333	5/31	Ferguson
42	7/30	Nature's Keeper
535	7/30	Ferguson
22	7/30	Tempaco
252	7/30	Aranta Co.
21	7/30	Turner Ltd.
492	7/30	Lane Piping
32	7/30	City Elect.

\* 6597

<u>Mains</u>		
309	Lane Piping	2/29
200	City Elect	2/25
550	Senshi Motor	2/29
281	A-1 Metal	6/29
88	A-1 Metal	2/31
7468	71 Underground	3/31
148	City Elect.	3/31
10,315	Ferguson Ent	3/31
103	City Elect	4/30
186	City Elect	5/31
257	Aranta Co.	6/30
<u>\$16,958</u>		

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Tanks  
169,531  
722  
625  
170,878

11/31/92 Low Piping  
11/1/92 Acanti Company

Equip  
753 6/30 Honda Term. 5  
10,621 opening entry  
11,374

Acanti  
701 opening entry

Inch. Date	Pipe Description	6" Lot	Potential Lots	Lots Connected	Pipe Size				Total
					1 1/4"	2"	4"	6"	
1985	Presidential Cove ✓	105	67	43	0	3,670	0	0	3,670
1989	4" Bulk Plant to Heatherwood Main Extension		N/A	N/A	0	0	7,800	0	7,800
1989	SLR Country Club		1	1	0	950	0	0	950
1990	Heatherwood I ✓		98	64	0	9,360	0	0	9,360
1990	Fairway Isles ✓		70	30	0	4,300	0	0	4,300
1990	Hamptons (B-117 8170) 30 - (2000 ft) -		X 32 X	7 (Total Headers)	0	0	2,400	0	2,400
1990	4" Hamptons to CC Point Main Extension		N/A	N/A	0	0	981	0	981
1991	Hanatee Elementary ✓		1	1	0	1,537	0	0	1,537
1992	Sanctuary ✓		29	2	0	3,635	0	0	3,635
1992	Country Club - Phase II ✓		52	16	0	7,330	0	0	7,330
1992	Country Club Point ✓		82	2	0	8,900	0	0	8,900
1992	Bent Pine Cove I & II ✓ (15% total 25% w/ 600 sq ft lot)		60	3 1/2	0	4,062	0	0	4,062
1992	Publix Shopping Center		5	1	366	641	0	0	1,007
1992	4" Fairway to CC Point Main Extension		N/A	N/A	0	0	1,890	0	1,890
1992	Bulk to Bethany (Publix) Main Extension		N/A	N/A	0	0	2,186	2,027	4,213
	Total		505	170	366	44,385	15,257	2,027	62,035

Heatherwood II

63,000 sq ft 1.2 million Est. 12/91  
100,000 sq ft 4.2-3

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YEARS DESC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	TOT
92-92 GALLONS	2330	2266	2095	2398	1771	1746	2262	1678					16546	16548
91-91 GALLONS	1066	1411	1541	1491	1216	1050	1271	1394					10440	17255
90-90 GALLONS														2337
92-92 SALES	2382	2285	2092	2421	1779	1739	2224	1477					16399	16401
91-91 SALES	1205	1595	1742	1684	1374	1186	1436	1418					11640	19264
90-90 SALES														2286
92-92 GROSS	1379	1317	1198	1397	1002	941	1190	668					9042	9045
91-91 GROSS	588	988	1076	1028	811	739	922	808					6960	10831
90-90 GROSS														887
92-92 PRICE	102	101	100	101	100	100	98	88					99	99
91-91 PRICE	113	113	113	113	113	113	113	102					111	112
90-90 PRICE														98
92-92 COUNT	8	7	6	4	3	4	4	3					39	39
91-91 COUNT	2	2	2	2	2	1	2	12					25	55
90-90 COUNT														9

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6/27/92  
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SALES ANALYSIS LISTING  
RES-RESIDENTIAL GALLONS -- TRM4

WILSON (NEED)  
SALES

YEARS-DESC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	TOT
92-92 GALLONS	4092	4385	3567	3741	1863	1473	3039	1816					23976	23980
91-91 GALLONS	1129	1698	671	789	1276	219	961	2267					9010	17933
90-90 GALLONS														2290
92-92 SALES	4303	4611	3737	3932	1964	1555	3191	1273					24566	24570
91-91 SALES	1006	1918	759	891	1442	248	1085	2562					9911	19994
90-90 SALES														2160
92-92 GROSS	2454	2739	2214	2335	1147	881	1802	398					13970	13973
91-91 GROSS	353	1188	468	544	851	154	697	1570					5825	11098
90-90 GROSS														774
92-92 PRICE	105	105	105	105	105	105	105	70					102	102
91-91 PRICE	89	113	113	113	113	111	113	113					110	111
90-90 PRICE														94
92-92 COUNT	125	133	128	129	117	116	137	136					1021	1021
91-91 COUNT	14	16	9	12	17	2	15	98					185	599
90-90 COUNT														36

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WESTERN ENERGY  
SASLIST

SALES ANALYSIS LISTING  
GAS-ALL GAS SALES

8/27/92  
PAGE 3

YEARS-DISC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	TOT
92-92 GALLONS	6423	6651	5772	6272	3634	3219	5355	3494					40820	40824
91-91 GALLONS	4741	4443	3840	4105	4368	2612	3641	3661					31411	47411
90-90 GALLONS														9094
92-92 SALES	6686	6896	5944	6493	3743	3294	5471	2750					41277	41282
91-91 SALES	4021	4949	4340	4107	4440	2724	4114	3980					32675	50557
90-90 SALES														7201
92-92 GROSS	3783	4057	3480	3815	2149	1823	3024	1067					23198	23201
91-91 GROSS	1780	3030	2681	2300	2416	1612	2641	2379					18347	27538
90-90 GROSS														1569
92-92 PRICE	104	104	103	104	103	102	102	79					101	101
91-91 PRICE	85	111	113	100	102	104	113	109					104	107
90-90 PRICE														79
92-92 COUNT	133	140	135	134	120	120	142	139					1063	1063
91-91 COUNT	82	86	83	92	99	83	98	110					733	1179
90-90 COUNT														214

UNITED STATES

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WESTERN ENERGY  
SALES

SALES BY MONTHS LISTING  
COM- COMMERCIAL GALLONS SOLD

12/31/91  
PAGE 1

YEARS-DESA

JUN JUL AUG SEP OCT NOV DEC YTD TOT

91-91 GALLONS  
90-90 GALLONS

1066 1411 1541 1491 1216 1950 1271 1364 1030 1591 2943 1246 17250  
1205 1595 1742 1684 1374 1166 1436 1416 1141 1773 3326 1379 19259  
SALES SALES 2285 2337

91-91 GROSS  
90-90 GROSS

588 980 1076 1028 811 739 922 808 639 887 1608 731 10825  
GROSS GROSS 885 867

91-91 PRICE  
90-90 PRICE

113 113 113 113 113 113 113 102 111 111 113 111 112  
PRICE PRICE 98 98

91-91 COUNT  
90-90 COUNT

2 2 2 2 2 1 2 6 6 8 10 6 55  
COUNT COUNT 9 9

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YEAR'S-DESC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	TOT
91-91 GALLONS	1129	1698	671	789	1276	219	961	2267	1475	1650	2539	3254	17928	17933
90-90 GALLONS										427	862	1000	2289	2290
GALLONS														
91-91 SALES	1006	1918	759	891	1442	248	1085	2562	1667	1865	2670	3677	19980	19994
90-90 SALES										376	759	1025	2160	2160
SALES														
91-91 GROSS	353	1188	468	544	851	154	697	1570	948	945	1387	1946	11091	11098
90-90 GROSS										82	224	468	774	774
GROSS														
91-91 PRICE	89	113	113	113	113	113	113	113	113	113	113	113	111	111
90-90 PRICE										88	88	102	94	94
PRICE														
91-91 COUNT	14	18	9	12	17	2	15	98	104	93	96	121	599	599
90-90 COUNT										6	11	19	36	36
COUNT														

WESTERN ENERGY SOCIETY

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SALES ANALYSIS LISTING  
GROSS ALL GAS SALES

YEARS-INTC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	TOI
91-91 GALLONS	4741	4443	3840	9105	4368	2612	3641	3661	2768	3242	5403	4501	47405	47411
90-90 GALLONS										2923	2944	3225	9022	9094
91-91 SALES	4021	4949	4340	9107	4440	2724	5111	3880	2485	1832	6196	5046	50551	50557
90-90 SALES										1324	2581	3318	7200	7201
91-91 GROSS	1280	3018	2661	2300	2416	1612	2641	2379	1637	1833	2986	2718	27531	27538
90-90 GROSS										693	734	1519	1370	1569
91-91 PRICE	85	111	113	100	102	104	113	109	108	112	113	112	107	107
90-90 PRICE										85	87	103	79	79
91-91 COUNT	82	86	83	92	99	83	98	110	112	101	106	127	1179	1179
90-90 COUNT										62	68	84	214	214

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INCOME STATEMENT  
FOR  
WESTERN ENERGY SERVICE, INC.  
AS OF  
7/31/92

	PERIOD				YTD			
	CURRENT	%	PRIOR	%	CURRENT	%	PRIOR	%
INCOME STATEMENT								
INCOME:								
GAS SALES	5471.80-				38531.75-			
COST OF SALES - GAS	2958.35	54.1			18382.79	47.7		
GROSS PROFIT - GAS SALES	2513.45-	45.9			20148.96-	52.3		
SALES-CONSTRUCTION MATLS.	326.10-	6.0			6146.78-	16.0		
COST OF SALES-CONST. MATLS	82.88	1.5			847.05	2.2		
GROSS PROFIT-CONST. MATLS	243.22-	4.4			5299.73-	13.8		
SALES - APPLIANCES	438.00-	8.0			18424.71-	47.8		
COST OF SALES-APPLIANCES	1093.00	20.0			17291.29	44.9		
GROSS PROFIT-APPL. SALES	655.00	12.0			1133.42-	2.9		
SALES - SERVICE PARTS	30.44	.6			986.36-	2.6		
COST OF SALES-SVC. PARTS					4.32			
GROSS PROFIT-SVC. PARTS	30.44	.6			982.04-	2.5		
SALES-CONSTRUCTION LABOR	489.15-	8.9			9352.42-	23.4		
SALES-SERVICE LABOR	192.00-	3.5			2515.36-	6.5		
PROFESSIONAL SERVICES								
TANK LEASE CHARGE					1170.00-	3.0		
IMPACT FEES					5400.00-	14.3		
MONTHLY SERVICE CHARGE	590.00-	10.3			3205.00-	8.3		
GROSS PROFIT ON SALES	3342.38-	61.1			48886.93-	126.9		
OPERATING EXPENSES	4860.43	89.8			31070.99	80.6		
APPLIANCES (1991)					4451.62	11.6		
OTHER INCOME	11.13-	.2			40.01-	.1		
INTEREST INCOME	8.55-	.2			137.45-	.4		
LATE CHARGE	85.21-	1.6			535.25-	1.4		
G/L-DISPOSAL OF ASSETS								
NET INCOME BEFORE TAXES	1413.11	25.8			14077.03-	36.5		
PROVISION FOR INCOME TAX								
NET INCOME AFTER TAXES	1413.11	25.8			14077.03-	36.5		

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FOR  
 WESTERN ENERGY SERVICES, INC.  
 AS OF  
 7/31/92

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ACCOUNT	DESCRIPTION	MAY 1992 AMOUNT	%	JUN 1992 AMOUNT	%	JUL 1992 AMOUNT	%	CURR YTD AMOUNT	%	JUL 1991 AMOUNT	%	PREV YTD AMOUNT	%
1115	SALARIES-MANAGEMENT												
1210	LIQUID AND WATER	46.42	-.3	60.14	.5	42.82	-.5	313.67	-.6				
1220	TELEPHONE												
1300	INTEREST EXPENSE												
1430	TAXES - PAYROLL												
1440	TAXES - OTHER												
1450	LICENSES												
1510	CONTRACT MAJOR	605.57	5.5	648.88	.5	1322.87	17.7	7632.77	11.2				
1521	MAINT/REPAIR-GEN. EQUIP-	21.15	.1					21.15					
1532	SHOP SUPPLIES AND TOOLS			203.52	1.5	25.29	.3	245.78	.3				
1540	GEN. OPERATING EXPENSES	65.36	.2	399.69	3.2	16.25	.2	467.75	.5				
1553	BUILDING PERMITS					69.90	.9	69.90	.1				
1603	DEPRECIATION EXPENSE	1993.13	11.5	1993.15	15.7	1993.15	26.7	13952.05	16.3				
1720	GAS AND OIL												
1740	INSURANCE												
1750	RENTALS	577.26	3.9			413.69	5.5	1092.75	1.3				
1755	MACHINE RENTAL					136.94	1.6	215.31	1.1				
1763	LEGAL AND ACCOUNTING	42.50	.2					305.00	.3				
1765	PROFESSIONAL SERVICES							495.00	.5				
1770	OFFICE EXPENSES	29.60	.2	38.86	.3	507.51	6.8	969.37	1.1				
1772	POSTAGE	32.19	.2	39.44	.3	40.31	.5	235.39	.3				
1775	COMPUTER OPERATING EXP.												
1795	SAB PERMITS	2455.53	14.2					117.20	.1				
820	ADVERTISING	413.56	2.4					413.56	.5				
850	MEALS AND ENTERTAINMENT												
655	TRAVEL EXPENSES			325.00	2.3	525.20	4.3	850.00	1.1				
350	PENALTIES												
	TOTAL EXPENSES	1445.23		3190.13		660.43		31070.99					

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FOR  
WESTERN ENERGY SERVICE, INC.  
AS OF  
7/31/92

CONFIDENTIAL

	PERIOD		YTD
	CURRENT	PRIOR	
ASSETS:			
CURRENT ASSETS:			
CASH ON HAND & IN BANK	9759.87		3791.97
ACCOUNTS RECEIVABLE-TRADE	11021.34-		24294.34
ACCTS REC-RETURNED CHECKS			1478.00
INVENTORY			
PREPAID EXPENSES			
TOTAL CURRENT ASSETS:	1261.47-		29564.31
PROPERTY & EQUIPMENT:			
OFFICE EQUIPMENT			701.00
RADIO EQUIPMENT			11374.67
TRUCKS & AUTOS			15062.94
MACHINERY & EQUIPMENT			6336.76
MAINS	1600.57		170878.62
SERVICES	1993.15-		95591.59-
TANKS			
ACCUM. DEPRECIATION			
TOTAL PROP & EQUIP:	3924.52-		110662.60
OTHER ASSETS:			
EXCESS OVER BV			46075.00
FEDERAL TAX DEPOSIT			
STATE TAX DEPOSIT			
DEPOSITS			
TOTAL OTHER ASSETS:			46075.00
TOTAL ASSETS:	1554.05-		186531.71

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LIAB & STOCKHOLDERS EQUITY:

CURRENT LIABILITIES:

ACCOUNTS PAYABLE-TRADE		
DEPOSITS - CUSTOMERS	42.69-	2953.35-
ACCURED FICA		
ACCURED MEDICARE		
ACCURED W/H TAX		
ACCURED SALES TAX	283.63	163.47-
ACCURED EXPENSES		
TOTAL CURRENT LIAB:	240.94	3121.82-

LONG TERM LIABILITIES:

NOTES PAYABLE - OFFICERS		250000.00-
TOTAL LONG TERM LIAB:		250000.00-

STOCKHOLDER'S EQUITY:

CAPITAL		1000.00-
RETAINED EARNINGS	1413.11	67820.11
TOTAL EQUITY:	1413.11	68820.11

TOTAL LIAB & EQUITY:

TOTAL LIAB & EQUITY:	1654.05-	166301.71
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INVENTORY REPORT  
 FOR  
 WESTERN ENERGY SERVICE, INC.  
 AS OF  
 7/31/72

YTD

PERIOD

CURRENT

PRIO

CURRENT

INVENTORIES:

- INVENTORY-SERVICE PARTS
- INVENTORY-CONST. MAT'LS.
- INVENTORY-APPLIANCES
- INVENTORY-GAS

1478.00

TOTAL INVENTORY:

1473.00

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DETAIL OF GAS SALES  
 FOR  
 WESTERN ENERGY SERVICES, INC.  
 AS OF  
 7/31/92

	PERIOD		YTD	
	CURRENT	PRIOR	CURRENT	PRIOR
GAS SALES:				
SALES-GAS-COMMERCIAL	2541.00-		5113.58-	
SALES-GAS-METERED-RES.			13914.38-	
SALES-GAS-RESIDENTIAL			6888.95-	
SALES-GAS-METERED-COM.	3130.80-		13514.34-	
TOTAL GAS SALES:	5471.80-		36531.75-	

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WESTERN ENERGY  
CAPITAL EXPENDITURES  
December 31, 1989

QUANTITY	DESCRIPTION	PURCHASE DATE	PRICE
<b>TOOLS</b>			
1	McElroy Plastic Fusion Set Includes: Heating Iron Body 1/2" IPS Iron 2" IPS Iron Cold Ring/Depth Tool Chamfering Tool Tubing Cutter 2" Socket Fitting Holder 4" Heating Iron	4/89 YTD March 1989	872.39 420.82
1	Coleman Generator	March 1989	750.00
1	Sidewinder Saddle Fusion Tool	June 1989	1,783.45
2	Danny's Pipe Squeezers (2"-4")	Dec 1989	1,155.59
			<u>4,982.25</u>
<b>OFFICE</b>			
1	3 Drawer File Cabinet	Jan 1989	382.60
1	Portable Drafting Table	Jan 1989	135.60
1	Telephone	Dec 1988	221.54
1	Motorola Car Phone/Radio	Feb 1989	2,259.06
			<u>2,998.80</u>
<b>TRUCKS</b>			
1	1984 GMC Truck	Dec 1988	5,500.00
1	1978 Chevrolet	Dec 1988	701.00
			<u>6,201.00</u>
<b>BULK PLANT</b>			
2	30,000 Gallon Storage Tanks	Nov 88	29,441.00
	Chain Link Fence	Dec 89	2,640.00
	Materials (paint, misc)	89	8,694.00
	Labor	89	8,775.00
	Permits		225.00
			<u>49,775.00</u>
	<b>MAINS</b> (includes labor, mat'l, jack & bore, conduits)	6,952' 4" 13,753' 2"	75,253.66
	<b>METERS</b> 13	89	3,388.67
	<b>SERVICES</b> 25	89	5,103.49

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WESTERN ENERGY - 1989 RECAP

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	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.
1											
2	21820	13570									
3											
4											
5	240-	750-	81238	12482	1746	118850		27967	60517	112430	137250
6		23820	8221						57740		13777
7	61342		26786	198864	112956	31243	1358071	1231235	1540252		2377
8	66175		11340	2673	1120		7566	135-	4054		1180302
9	475117		117415	1840719	501472	52119	1345737	14407254	17101274	4751190	1584295
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TOTAL INCOME:  
LESS OPERATING EXPENSES:

Handwritten initials or marks at the top left of the page.

1-T-D

DEC.	Actual	Budget
1	211726	2500
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RWS (S)

WESTERN ENERGY GAS SYSTEM  
 YEAR END SUMMARY  
 12/31/90

INFLOW:		
Loans from Western Energy Services		\$21,400.00
Sales - Gas & Materials		88,556.02
Cost of Sales		<u>32,682.26</u>
Gross Profit		55,873.76
Revenues - Impact Fees		<u>8,000.00</u>
Total Gross Profit		63,873.76
Operating Expenses		
Telephone & Electric	\$ 2,203.14	
Office	2,226.64	
Sales Tax	3,966.81	
Contract Labor	4,751.15	
Insurance	5,894.30	
Shop Supplies	380.66	
Licenses & Permits	597.40	
FUTA	56.00	
Rent	848.00	
Donations	30.00	
Personal Property Tax	374.78	
Salaries	29,733.44	
Payroll Tax (Co. FICA)	<u>2,274.56</u>	
Total Expenses	\$53,336.88	
Net Profit		\$10,536.88

Note: Adjustment for depreciation must still be made.

Capital Outlay - Bulk Plant	\$ 3,314.31		
Mains	7,530.73		
Services	7,033.12		
Meters	<u>6,384.04</u>		
	\$24,262.20		
Accounts Receivable	12,283.47	Gallons Sold	32,683
Inventory at Cost	7,456.95	Active Customers	84
Cash on Hand	1,343.08	Jobs in Progress	<u>34</u>
Accounts Payable	8,496.05	Total Customers	118

Western Energy Joint Venture (Florida Partnership) was formed 10/10/88; owned 51% by Western Energy Services, Inc. (Florida Sub-S Corp.) and 49% by St. Lucie West Energy, Inc.

Western Energy Services, Inc. (Sub-S) is presently owned by: :

A.A. Hendry, III	35%
Ed Ball	35%
David Satur	25%
Leo Hancock	5%
	<u>100%</u>

At the end of 1990 the partnership "exchanged" its assets for the debt owed the Sub-S and the partnership was dissolved (See Aug. 22, 1990 ABA letter to Dave Satur).

\$ 239,296	Liab assumed by WES 12/90
<u>(191,103)</u>	Investment Account @ 12/90
\$ 48,193	Excess cost over book value

1-18-91

WESTERN ENERGY SERVICES  
1991 EXPENSE / INCOME ANALYSIS

CONFIDENTIAL

Prepared By	Date
Approved By	

55000 (thousands) ----- fifteen

	1	2	3
	INCOME	EXPENSE	BALANCE
Beginning Balance			192308
1/25 Deposit	5000 -		192308
1/25 Western Energy Gas Systems (transfer)		5000 -	192308
2/16 Western Energy Gas Systems (transfer)		5000 -	1807492
2/16 Deposit	5000 -		192308
2/28 Interest (JAN & FEB)	1717		193525
3/5 Deposit	5000 -		193525
3/9 Deposit	5000 -		1193525
3/15 Western Energy Gas Systems (transfer)		3000 -	893525
3/29 Western Energy Gas Systems (transfer)		2000 -	693525
3/31 Interest (MAR)	32166		116791
4/30 Interest (APR)	3164		699955
5/7 Western Energy Gas Systems (transfer)		2000 -	499955
5/31 Interest (MAY)	2175		502380
6/11 ABA Financial Services		500 -	52380
6/14 Western Energy Gas Systems (transfer)		1000 -	352380
6/14 Western Energy Gas Systems (transfer)		5400 -	12380
6/29 Interest (JUN)	724		13004
6/18 Secretary of State - Corp. deal report		35 -	9504
7/3 Interest (JUL)	38		9542
8/31 Interest (AUG)	33		9575
9/30 Interest (SEP)	30		9605
10/31 Interest (OCT)	36		9641
11/30 Interest (NOV)	33		9674
12/31 Interest (DEC)	35		9709
Expenses 535			
NIR WES 21400			

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(Rick has copy of system in his file)

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TO: J. LANGER  
FROM: RICK WALL  
DATE: July 23, 1992  
SUBJECT: WESTERN ENERGY (PORT ST LUCIE WEST.)

JACK, PER YOUR REQUEST WE HAVE RUN THE NEW FOOTAGES PROVIDED AND UPDATED THE ESTIMATED REPLACEMENT COST OF THIS PROJECT.

**\* MAINS.**

SIZE	FOOTAGE	AVG	AVG TOTAL	HIGH	HIGH TOTAL
1 1/4"	350'	@ \$ 8.37	= \$ 2,929.00	@ \$ 8.74	= \$ 3,059.00
2"	41,600'	@ \$ 10.41	= \$ 433,056.00	@ \$ 11.76	= \$ 489,216.00
4"	14,010'	@ \$ 12.66	= \$ 177,366.60	@ \$ 13.39	= \$ 187,593.90
6"	2,220'	@ \$ 14.30	= \$ 31,746.00	@ \$ 15.35	= \$ 34,077.00
	<u>58,180</u>		<u>\$ 645,098.10</u>		<u>\$ 713,945.90</u>

**\* SERVICES.**

1/2" SERVICES avg 50'	170	@ \$ 450.00	= \$ 76,500.00
2" SHOPS OF LUCIE WEST	600'	@ \$ 10.41	= \$ 6,246.00
2" SCHOOL	350'	@ \$ 10.41	= \$ 3,643.50
			<u>\$ 86,389.50</u>

**\* MATERIALS & EQUIPMENT.**

VALVES AND CASINGS-----	\$ 11,478.88
METERS (170 accts)-----	\$ 9,690.00
REGULATORS (170 accts)-----	\$ 2,040.00
	<u>\$ 23,208.88</u>

**\* ESTIMATED SYSTEM REPLACEMENT VALUE.**

TOTAL VALUE USING AVG FOOTAGE COSTS -----	\$ 754,696.48	(579,000 #)
TOTAL VALUE USING HIGH FOOTAGE COSTS -----	\$ 823,544.28	
	<u>- 175,000.00</u>	(sand pad)
	<u>\$ 648,544.28</u>	

NOTE: THESE FIGURES DO NOT INCLUDE TANK PLANT COSTS.  
ALSO ALL FOOTAGE COSTS DO INCLUDE SAND PADDING COSTS  
AT \$ 3.00 PER FOOT. (no sand padding required - all sand / brownish area)