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January 9, 1997

GOVERNMENTAL JURISDICTION  
PATRICK R. MALLOY  
AMY J. YOUNG

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Conference Center  
Room 110  
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. **970003-GU**

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the following documents:

1. Original and fifteen copies of Petition for Approval of Florida Public Utilities Company's Purchased Gas Adjustment Recovery Factor; *00236-97 - 01/09/97*

2. Original and fifteen copies of the direct testimony of George M. Bachman and Marc L. Schneidermann; *and 00238-97*  
*00237-97*

3. Original and fifteen copies of Composite Exhibit GMB-3, which consists of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

*William B. Willingham*  
William B. Willingham

WBW/r1  
cc: All Parties of Record  
Tr:ib.3

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 970003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
George Bachman  
On Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. George Bachman, 401 South Dixie Highway, West Palm Beach, FL 33401.
- 3 Q. By whom are you employed?
- 4 A. I am employed by Florida Public Utilities Company.
- 5 Q. Have you previously testified in this Docket?
- 6 A. Yes.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. I will summarize our projected gas recoveries computations which are contained
- 9 in composite exhibit GMB-3 which supports the April 1997 - March 1998
- 10 projected purchased gas adjustments for our consolidated gas division. In
- 11 addition, I will advise the Commission of the projected differences between the
- 12 revenues collected and the purchased gas costs allowed in developing the
- 13 levelized purchased gas adjustment for the periods April 1995 - March 1996 and
- 14 April 1996 - March 1997. From these two periods I will establish a "true-up"
- 15 amount to be collected or refunded during April 1997 - March 1998.
- 16 Q. Were the schedules filed by your Company completed under your direction?
- 17 A. Yes.

1 Q. Which of the staff's set of schedules has your Company completed and filed?

2 A. We have prepared and pre-filed True-Up Schedules A-1, A-2, A-3, A-4, A-5, A-6,  
3 A-7 and A-8 in addition to composite exhibit GMB-3 which contains Schedules  
4 E1, E1/R, E2, and E3, E4 and E5 for our consolidated gas division. These  
5 schedules support the calculation of the purchased gas adjustment factors for  
6 April 1997 - March 1998.

7 Q. Does this conclude your testimony?

8 A. Yes.

9 **PURCHASED GAS ADJUSTMENT ISSUES**

10 **ISSUE 1:** What is the appropriate final purchased gas adjustment true-up  
11 amount for the period April, 1995 through March, 1996?

12 **COMPANY POSITION:** The final purchased gas adjustment true-up amount  
13 for the period April 1995 - March 1996 is an under-recovery of \$1,194,965.

14 **ISSUE 2:** What is the estimated purchased gas adjustment true-up amount for  
15 the period April, 1996 through March, 1997?

16 **COMPANY POSITION:** We have estimated that we will have under-  
17 recovered \$2,468,967 for the period April 1996 - March 1997.

18 **ISSUE 3:** What is the total purchased gas adjustment true-up amount to be  
19 collected during the period April, 1997 through March, 1998?

20 **COMPANY POSITION:** The total net under-recovery to be collected during  
21 the period April 1997 - March 1998 is \$3,663,932.

22 **ISSUE 4:** What is the appropriate levelized purchased gas adjustment  
23 recovery (cap) factor for the period April, 1997 through March, 1998?

1        **COMPANY POSITION:**    The Purchased Gas Cost Recovery Factor will be a  
2        maximum of 57.569¢ per therm.

3        **ISSUE 5:**    What should be the effective date of the new purchased gas  
4        adjustment charge for billing purposes?

5        **COMPANY POSITION:**    The factor should be effective for all meter readings  
6        on or after April 1, 1997, beginning with the first or applicable billing cycle for  
7        the period April 1997 - March 1998.

8

9

10

11

12    GMB-PGA-2-97.TEST

13    disk PGA 12/96

14

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD

APRIL 1997 Through MARCH 1998

COST OF GAS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	11,526	13,385	14,782	10,940	10,937	11,980	11,752	5,870	14,801	19,989	18,852	16,865	183,459
2 NO NOTICE SERVICE	6,315	2,810	2,526	2,610	2,610	2,526	5,220	7,831	11,224	13,834	10,138	9,136	78,580
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	1,448,068	1,180,917	954,997	894,000	782,892	845,333	968,740	1,101,434	2,304,898	2,381,880	1,571,458	1,731,947	16,148,364
5 DEMAND	863,367	262,425	752,594	260,548	261,014	252,219	264,457	880,567	690,518	691,059	822,712	688,564	5,568,143
6 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	2,129,278	1,441,337	1,224,899	1,168,099	1,057,453	1,112,038	1,250,169	1,775,802	3,021,039	3,108,782	2,223,160	2,444,512	21,954,546
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	3,836	2,595	2,202	2,101	1,902	2,000	2,251	3,195	5,438	5,591	4,022	4,401	39,514
14 TOTAL THERM SALES	2,125,440	1,438,742	1,222,697	1,165,998	1,055,551	1,110,038	1,247,918	1,772,607	3,015,601	3,103,191	2,219,138	2,440,111	21,915,032
THERMS PURCHASED													
15 COMMODITY (Pipeline)	4,097,260	3,310,180	3,187,840	2,858,460	2,857,970	2,774,060	2,777,460	3,267,790	4,628,230	5,418,260	5,010,840	4,980,220	44,748,550
16 NO NOTICE SERVICE	750,000	310,000	300,000	310,000	310,000	300,000	620,000	930,000	1,333,000	1,643,000	1,204,000	1,085,000	9,095,000
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	4,097,260	3,310,180	3,187,840	2,858,460	2,857,970	2,774,060	2,777,460	3,267,790	4,628,230	5,418,260	5,010,840	4,980,220	44,748,550
19 DEMAND	6,714,000	4,171,880	3,491,400	3,421,780	3,607,780	3,341,400	4,353,330	5,634,000	8,952,800	9,189,800	7,894,400	7,371,800	67,924,470
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18+20)-(23)	4,097,260	3,310,180	3,187,840	2,858,460	2,857,970	2,774,060	2,777,460	3,267,790	4,628,230	5,418,260	5,010,840	4,980,220	44,748,550
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	7,360	5,950	5,720	4,770	4,780	5,000	5,000	5,870	8,320	8,740	8,010	8,820	80,440
27 TOTAL THERM SALES	4,089,900	3,304,230	3,182,120	2,853,690	2,853,190	2,769,060	2,772,460	3,261,920	4,619,910	5,409,520	5,002,830	4,971,300	44,668,110
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.281	0.485	0.454	0.412	0.411	0.431	0.423	0.160	0.315	0.369	0.378	0.340	0.365
29 NO NOTICE SERVICE (2/16)	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842
30 SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31 COMMODITY (Other) (4/18)	35.342	35.071	29.957	33.628	29.455	30.473	34.879	33.706	49.797	43.980	31.381	34.917	36.082
32 DEMAND (5/19)	9.880	8.290	7.235	7.814	7.235	7.548	6.075	11.728	7.713	7.538	8.093	9.313	8.198
33 OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT													
34 COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35 DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36 (9/23)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37 TOTAL COST (11/24)	51.968	43.543	38.424	43.939	39.794	40.067	45.011	54.343	65.274	57.339	44.367	49.282	49.062
38 NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39 COMPANY USE (13/26)	52.120	43.813	38.497	44.048	38.791	40.000	45.020	54.429	65.261	57.402	44.417	49.339	49.122
40 TOTAL THERM SALES (11/27)	52.062	43.821	38.493	44.018	38.858	40.159	45.082	54.440	65.262	57.442	44.447	49.371	49.150
41 TRUE-UP (E-2)	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203	8.203
42 TOTAL COST OF GAS (40+41)	60.265	51.824	46.696	52.221	48.059	48.362	53.295	62.643	73.595	65.645	52.650	57.574	57.353
43 REVENUE TAX FACTOR	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	60.4914	52.0191	46.8718	52.4173	48.2398	48.5442	53.4958	62.8789	73.8714	65.8918	52.8479	57.7908	57.5690
45 PGA FACTOR ROUNDED TO NEAREST .001	60.491	52.019	46.872	52.417	48.240	48.544	53.496	62.879	73.871	65.892	52.848	57.791	57.569

DOCUMENT NUMBER-DATE

00237 JAN-95

FPSC-RECORDS/REPORTING

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 970003-GU  
FLORIDA PUBLIC UTILITIES COMPANY  
(GMB-3)  
PAGE 1 OF 6

ORIGINAL  
FILE COPY

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD

APRIL 1998 Through MARCH 1997

COST OF GAS PURCHASED	ACTUAL								REVISED PROJECTION					TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
1 COMMODITY (Pipeline)	24,484	26,720	19,263	19,977	21,341	22,162	18,807	20,359	17,893	20,418	20,418	19,273	250,915	
2 NO NOTICE SERVICE	5,205	2,151	2,082	2,151	2,151	2,082	4,303	7,408	9,184	11,320	8,296	7,478	62,809	
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 COMMODITY (Other)	1,020,523	714,240	688,908	729,922	686,997	520,899	669,802	1,084,809	1,738,749	2,228,745	1,904,801	1,547,040	13,511,335	
5 DEMAND	565,855	232,519	225,018	219,398	227,637	219,733	230,823	561,937	612,167	612,223	552,802	611,863	4,871,775	
6 OTHER	(4,855)	(3,122)	(2,489)	(1,862)	(1,939)	(1,762)	(3,931)	(3,292)	0	0	0	0	(23,052)	
LESS END-USE CONTRACT														
7 COMMODITY (Pipeline)	151	4,491	0	350	1,011	2,709	0	0	0	0	0	0	8,712	
8 DEMAND	217	3,052	4	314	1,203	4,292	0	0	0	0	0	0	9,082	
9														
10														
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	1,810,844	964,965	830,778	969,122	833,973	756,113	919,404	1,650,221	2,377,793	2,870,706	2,486,417	2,185,652	18,655,988	
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 COMPANY USE	1,395	1,880	2,416	2,934	2,995	2,945	2,804	2,095	0	0	0	0	19,244	
14 TOTAL THERM SALES	1,331,521	1,198,447	1,136,938	1,123,474	1,008,836	998,831	1,099,598	1,308,463	1,557,800	1,724,500	1,678,800	1,654,700	15,817,878	
THERMS PURCHASED														
15 COMMODITY (Pipeline)	3,971,310	3,903,580	2,868,790	2,863,080	3,104,150	3,239,940	3,487,390	4,021,880	4,051,980	4,485,240	4,365,370	4,303,140	44,863,850	
16 NO NOTICE SERVICE	750,000	310,000	300,000	310,000	310,000	300,000	620,000	930,000	1,333,000	1,643,000	1,204,000	1,085,000	9,095,000	
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 COMMODITY (Other)	3,916,790	3,263,210	2,809,950	2,779,820	2,989,410	2,819,940	3,477,730	4,108,400	4,051,980	4,485,240	4,365,370	4,303,140	43,348,980	
19 DEMAND	7,076,000	4,320,780	4,161,400	4,320,780	3,870,780	3,746,400	3,933,330	7,847,500	10,161,800	10,123,800	8,800,400	9,324,800	77,807,770	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT														
21 COMMODITY (Pipeline)	19,740	642,000	0	62,740	180,350	420,000	0	0	0	0	0	0	1,304,830	
22 DEMAND	19,740	642,000	0	62,740	180,350	420,000	0	0	0	0	0	0	1,304,830	
23														
24 TOTAL PURCHASES (17+18+20)-(21+23)	3,897,050	2,621,210	2,809,950	2,717,080	2,809,080	2,399,940	3,477,730	4,108,400	4,051,980	4,485,240	4,365,370	4,303,140	42,044,150	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	4,481	5,343	6,787	7,647	8,733	9,129	7,985	5,809	0	0	0	0	55,894	
27 TOTAL THERM SALES (24-26 Estimated Only)	4,802,913	5,733,861	5,778,238	5,309,971	5,407,829	5,894,235	5,568,058	4,830,017	4,051,980	4,485,240	4,365,370	4,303,140	60,526,758	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.617	0.684	0.672	0.698	0.687	0.684	0.539	0.508	0.437	0.455	0.468	0.448	0.562	
29 NO NOTICE SERVICE (2/16)	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.689	0.689	0.689	0.689	0.689	0.691	
30 SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
31 COMMODITY (Other) (4/18)	26.055	21.888	24.446	26.258	23.136	18.772	19.254	25.930	42.911	46.848	43.637	35.951	31.169	
32 DEMAND (5/19)	7.997	5.381	5.381	5.078	5.881	5.885	5.863	7.161	6.024	5.988	6.282	6.562	6.261	
33 OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
LESS END-USE CONTRACT														
34 COMMODITY (Pipeline) (7/21)	0.785	0.700	0.000	0.558	0.630	0.645	0.000	0.000	0.000	0.000	0.000	0.000	0.688	
35 DEMAND (8/22)	1.099	0.475	0.000	0.500	0.790	1.022	0.000	0.000	0.000	0.000	0.000	0.000	0.898	
36	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
37 TOTAL COST (11/24)	41.335	38.814	33.124	35.668	33.249	31.505	26.437	40.187	58.882	64.003	58.958	50.792	44.372	
38 NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
39 COMPANY USE (13/26)	31.131	34.812	35.597	38.368	34.295	32.280	32.693	38.068	0.000	0.000	0.000	0.000	34.429	
40 TOTAL THERM SALES (11/27)	33.539	16.829	16.114	18.251	17.271	12.828	16.518	34.186	58.882	64.003	58.958	50.792	30.823	
41 TRUE-UP (E-2)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	(1.017)	
42 TOTAL COST OF GAS (40+41)	32.522	15.812	15.097	17.234	16.254	11.811	15.501	33.169	57.865	62.986	57.941	49.775	29.806	
43 REVENUE TAX FACTOR	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	32.644	15.8714	15.1537	17.2988	16.3155	11.8564	15.5993	33.2736	57.8821	63.2232	58.1511	49.9822	29.9178	
45 PGA FACTOR ROUNDED TO NEAREST .001	32.644	15.871	15.154	17.299	16.315	11.855	15.599	33.274	57.882	63.223	58.151	49.982	29.918	

W/UNDER  
 FEB - MAR AVERAGE 67.101  
 TRUE-UP (1.017)  
 TOTAL 66.084  
 REVENUE TAX FACTOR 1.00376  
 PGA ADJ FOR TAXES 66.3325  
 PGA ROUNDED 66.333

FOR THE CURRENT PERIOD

APRIL 1998

Through

MARCH 1997

	ACTUAL						REVISED PROJECTION						TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
<b>TRUE-UP CALCULATION</b>													
1 PURCHASED GAS COST	1,020,523	714,240	586,908	729,922	586,997	520,899	669,602	1,064,809	1,738,749	2,226,745	1,904,901	1,547,040	13,511,335
2 TRANSPORTATION COST	590,689	258,268	243,874	239,864	249,190	242,215	249,802	585,412	639,044	643,961	501,518	638,612	5,162,447
3 TOTAL	1,611,212	972,508	830,782	969,786	836,187	763,114	919,404	1,650,221	2,377,793	2,870,706	2,406,417	2,185,652	18,673,782
4 FUEL REVENUES (NET OF REVENUE TAX)	1,331,889	1,205,990	1,136,942	1,124,138	1,009,050	1,005,832	1,099,568	1,306,463	1,557,800	1,724,500	1,678,800	1,654,700	15,835,672
5 TRUE-UP (COLLECTED) OR REFUNDED	35,495	35,495	35,495	35,495	35,495	35,495	35,495	35,495	35,495	35,495	35,495	35,494	425,939
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	1,367,384	1,241,485	1,172,437	1,159,633	1,044,545	1,041,327	1,135,063	1,341,958	1,593,295	1,759,995	1,714,295	1,690,194	16,261,611
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(243,828)	268,977	241,655	189,847	108,358	278,713	215,659	(308,263)	(784,496)	(1,110,711)	(772,122)	(495,456)	(2,412,171)
8 INTEREST PROVISION THIS PERIOD (21)	(4,127)	(4,211)	(3,277)	(2,483)	(1,951)	(1,246)	(297)	(666)	(3,300)	(7,755)	(12,203)	(15,281)	(56,797)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(769,025)	(1,052,475)	(823,204)	(820,321)	(468,452)	(397,540)	(156,068)	23,799	(320,625)	(1,143,918)	(2,297,879)	(3,117,699)	(769,025)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,495)	(35,494)	(425,939)
10a FLEX RATE REFUND (# applicable)							0	0	0	0	0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(1,052,475)	(823,204)	(820,321)	(468,452)	(397,540)	(156,068)	23,799	(320,625)	(1,143,918)	(2,297,879)	(3,117,699)	(3,663,932)	(3,663,932)
<b>INTEREST PROVISION</b>													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(769,025)	(1,052,475)	(823,204)	(820,321)	(468,452)	(397,540)	(156,068)	23,799	(320,625)	(1,143,918)	(2,297,879)	(3,117,699)	(769,025)
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(1,048,348)	(818,993)	(617,044)	(465,969)	(395,589)	(154,822)	24,096	(319,959)	(1,140,618)	(2,290,124)	(3,105,496)	(3,648,651)	(3,607,135)
14 TOTAL (12+13)	(1,817,373)	(1,871,468)	(1,440,248)	(1,086,290)	(864,041)	(552,362)	(131,972)	(296,160)	(1,461,243)	(3,434,042)	(5,403,375)	(6,766,350)	(4,376,160)
15 AVERAGE (50% OF 14)	(908,687)	(935,734)	(720,124)	(543,145)	(432,021)	(276,181)	(65,986)	(148,080)	(730,622)	(1,717,021)	(2,701,688)	(3,383,175)	(2,188,080)
16 INTEREST RATE - FIRST DAY OF MONTH	5.5000%	5.4000%	5.4000%	5.5200%	5.4500%	5.3900%	5.4400%	5.3800%	5.4200%	5.4200%	5.4200%	5.4200%	5.4200%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.4000%	5.4000%	5.5200%	5.4500%	5.3900%	5.4400%	5.3800%	5.4200%	5.4200%	5.4200%	5.4200%	5.4200%	5.4200%
18 TOTAL (16+17)	10.9000%	10.8000%	10.9200%	10.9700%	10.8400%	10.8300%	10.8200%	10.8000%	10.8400%	10.8400%	10.8400%	10.8400%	10.8400%
19 AVERAGE (50% OF 18)	5.4500%	5.4000%	5.4600%	5.4850%	5.4200%	5.4150%	5.4100%	5.4000%	5.4200%	5.4200%	5.4200%	5.4200%	5.4200%
20 MONTHLY AVERAGE (19/12 Months)	0.454%	0.450%	0.455%	0.457%	0.452%	0.451%	0.451%	0.450%	0.452%	0.452%	0.452%	0.452%	0.452%
21 INTEREST PROVISION (15x20)	(4,127)	(4,211)	(3,277)	(2,483)	(1,951)	(1,246)	(297)	(666)	(3,300)	(7,755)	(12,203)	(15,281)	

ESTIMATED FOR THE PROJECTED PERIOD OF:

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	APRIL 1997 Through MARCH 1998 COMMODITY COST			DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
						TOTAL PURCHASED	THIRD PARTY	PIPELINE			
APRIL	VARIOUS	SYS SUPPLY	N/A	4,097,260	0	4,097,260	1,448,068	11,526	669,682	INCLUDED IN CCST	51.97
MAY	VARIOUS	SYS SUPPLY	N/A	3,310,160	0	3,310,160	1,160,917	15,385	265,035	INCLUDED IN COST	43.54
JUNE	VARIOUS	SYS SUPPLY	N/A	3,187,840	0	3,187,840	954,997	14,782	255,120	INCLUDED IN COST	38.42
JULY	VARIOUS	SYS SUPPLY	N/A	2,658,460	0	2,658,460	894,000	10,940	263,159	INCLUDED IN COST	43.94
AUGUST	VARIOUS	SYS SUPPLY	N/A	2,657,970	0	2,657,970	782,892	10,937	263,624	INCLUDED IN COST	39.78
SEPTEMBER	VARIOUS	SYS SUPPLY	N/A	2,774,060	0	2,774,060	845,333	11,960	254,745	INCLUDED IN COST	40.09
OCTOBER	VARIOUS	SYS SUPPLY	N/A	2,777,460	0	2,777,460	968,740	11,752	269,677	INCLUDED IN COST	45.01
NOVEMBER	VARIOUS	SYS SUPPLY	N/A	3,267,790	0	3,267,790	1,101,434	5,870	668,498	INCLUDED IN COST	54.34
DECEMBER	VARIOUS	SYS SUPPLY	N/A	4,628,230	0	4,628,230	2,304,698	14,601	701,740	INCLUDED IN COST	65.27
JANUARY	VARIOUS	SYS SUPPLY	N/A	5,418,260	0	5,418,260	2,381,880	19,989	704,893	INCLUDED IN COST	57.34
FEBRUARY	VARIOUS	SYS SUPPLY	N/A	5,010,840	0	5,010,840	1,571,458	18,852	632,850	INCLUDED IN COST	44.37
MARCH	VARIOUS	SYS SUPPLY	N/A	4,960,220	0	4,960,220	1,731,947	16,865	695,700	INCLUDED IN COST	49.28
<b>TOTAL</b>				<b>44,748,550</b>	<b>0</b>	<b>44,748,550</b>	<b>18,146,364</b>	<b>163,159</b>	<b>5,644,723</b>		<b>49.06</b>



CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

ESTIMATED FOR THE PROJECTED PERIOD: APRIL 1997 Through MARCH 1998

PRIOR PERIOD: APRIL 1995 - MARCH 1996 CURRENT PERIOD: APR 96 - MAR 97

	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$17,115,630	\$16,089,342	(\$1,026,288)	\$16,261,612	\$15,235,324
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	\$1,340,861	\$160,816	(\$1,180,045)	(\$2,412,170)	(\$3,592,215)
3 INTEREST PROVISION FOR THIS PERIOD	30,333	15,413	(14,920)	(56,797)	(71,717)
4 END OF PERIOD TOTAL NET TRUE-UP	\$1,371,194	\$176,229	(\$1,194,965)	(\$2,468,967)	(\$3,663,932)
TOTAL TRUE-UP DOLLARS					(\$3,663,932)
PROJECTED THERM SALES FOR APRIL 1997 - MARCH 1998					44,668,110
CENTS PER THERM NECESSARY TO COLLECT UNDERRECOVERY					-8.203

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

ESTIMATED FOR THE PROJECTED PERIOD

APRIL 1997 Through MARCH 1998

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
<b>THERM SALES (FIRM)</b>													
GENERAL SERVICE (11)	923,850	580,620	524,480	371,750	377,950	408,460	430,190	628,100	1,114,050	1,324,260	1,201,360	1,170,310	9,059,360
OUTDOOR LIGHTING (21)	210	210	210	210	210	210	260	160	210	160	210	240	2,500
RESIDENTIAL (31)	892,270	583,730	497,810	437,510	424,210	453,410	470,380	634,900	1,082,020	1,587,980	1,279,830	1,229,820	9,563,800
LARGE VOLUME (51)	1,890,260	1,771,800	1,808,290	1,484,440	1,490,710	1,567,420	1,491,050	1,578,460	1,977,990	2,039,330	2,081,130	2,101,360	21,280,240
OTHER (81)	12,470	8,340	7,280	6,980	6,820	7,510	6,810	7,840	15,140	23,610	16,780	16,860	136,440
<b>TOTAL FIRM</b>	<b>3,718,990</b>	<b>2,944,700</b>	<b>2,836,050</b>	<b>2,304,190</b>	<b>2,299,900</b>	<b>2,437,010</b>	<b>2,398,990</b>	<b>2,849,460</b>	<b>4,199,410</b>	<b>4,955,340</b>	<b>4,579,310</b>	<b>4,518,590</b>	<b>40,042,340</b>
<b>THERM SALES (INTERRUPTIBLE)</b>													
INTERRUPTIBLE (81)	370,910	359,510	346,070	348,800	353,290	332,050	373,770	412,480	420,500	453,180	422,520	432,710	4,625,770
INTERR TRANSPORT (92)	26,510	22,580	20,250	21,070	20,480	18,580	22,120	28,580	32,580	34,720	30,960	30,720	309,090
LARGE VOLUME INT (93)	1,800,000	1,860,000	1,800,000	1,860,000	1,860,000	1,800,000	1,860,000	1,800,000	1,860,000	1,860,000	1,680,000	1,880,000	21,900,000
LESS TRANSPORTATION	(1,826,510)	(1,882,560)	(1,821,250)	(1,881,070)	(1,880,480)	(1,818,560)	(1,882,120)	(1,828,560)	(1,892,580)	(1,894,720)	(1,710,960)	(1,890,720)	(22,209,090)
TOTAL INTERRUPTIBLE	370,910	359,510	346,070	348,800	353,290	332,050	373,770	412,480	420,500	453,180	422,520	432,710	4,625,770
<b>TOTAL THERM SALES</b>	<b>4,089,900</b>	<b>3,304,210</b>	<b>3,182,120</b>	<b>2,653,690</b>	<b>2,653,190</b>	<b>2,769,060</b>	<b>2,772,460</b>	<b>3,261,920</b>	<b>4,619,910</b>	<b>5,408,520</b>	<b>5,001,830</b>	<b>4,951,300</b>	<b>44,668,110</b>
<b>NUMBER OF CUSTOMERS (FIRM)</b>													
GENERAL SERVICE (11)	2,474	2,473	2,474	2,373	2,358	2,308	2,388	2,411	2,449	2,505	2,516	2,514	2,442
OUTDOOR LIGHTING (21)	0	0	0	0	0	0	0	0	0	0	0	0	0
RESIDENTIAL (31)	31,499	31,271	30,868	30,575	30,450	30,422	30,455	30,589	31,135	31,481	31,580	31,630	31,011
LARGE VOLUME (51)	902	905	908	860	865	865	873	882	893	898	899	900	888
OTHER (81)	424	426	425	424	423	426	423	429	423	421	422	429	425
0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FIRM</b>	<b>35,299</b>	<b>35,075</b>	<b>34,775</b>	<b>34,232</b>	<b>34,096</b>	<b>34,079</b>	<b>34,137</b>	<b>34,411</b>	<b>34,900</b>	<b>35,285</b>	<b>35,417</b>	<b>35,473</b>	<b>34,765</b>
<b>NUMBER OF CUSTOMERS (INT)</b>													
INTERRUPTIBLE (81)	13	13	13	13	13	13	13	13	13	13	13	13	13
INTERR TRANSPORT (92)	1	1	1	1	1	1	1	1	1	1	1	1	1
LARGE VOLUME INT (93)	1	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL INTERRUPTIBLE	15	15	15	15	15	15	15	15	15	15	15	15	15
<b>TOTAL CUSTOMERS</b>	<b>35,114</b>	<b>35,090</b>	<b>34,790</b>	<b>34,247</b>	<b>34,111</b>	<b>34,094</b>	<b>34,152</b>	<b>34,428</b>	<b>34,915</b>	<b>35,300</b>	<b>35,432</b>	<b>35,488</b>	<b>34,780</b>
<b>THERM USE PER CUSTOMER</b>													
GENERAL SERVICE (11)	373	239	212	158	160	173	180	261	456	529	477	468	3,710
OUTDOOR LIGHTING (21)	0	0	0	0	0	0	0	0	0	0	0	0	0
RESIDENTIAL (31)	28	19	16	14	14	15	15	21	35	50	41	39	308
LARGE VOLUME (51)	2,098	1,958	1,989	1,726	1,723	1,812	1,708	1,790	2,215	2,271	2,315	2,335	23,978
OTHER (81)	29	20	17	16	16	18	16	18	38	66	40	39	321
INTERRUPTIBLE (81)	28,532	27,856	26,821	26,831	27,179	25,542	28,752	31,728	32,346	34,880	32,502	33,285	365,828
INTERR TRANSPORT (92)	26,510	22,580	20,250	21,070	20,480	18,580	22,120	28,580	32,580	34,720	30,960	30,720	309,090
LARGE VOLUME INT (93)	1,800,000	1,860,000	1,800,000	1,860,000	1,860,000	1,800,000	1,860,000	1,800,000	1,860,000	1,860,000	1,680,000	1,880,000	21,900,000