

MEMORANDUM

December 19, 1997

TO: DIVISION OF RECORDS AND REPORTING (FLYNN)
FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *W*
RE: DOCKET NO. 970003-GU -- INDIANTOWN GAS COMPANY
CORRECTION TO PGA AUDIT REPORT
PERIOD ENDED SEPTEMBER 30, 1997
AUDIT CONTROL NO. 97-160-4-3

Please make the following correction to the audit report issued by me on December 5, 1997:

DELETE

ADD

Page 3

Page 3 Revised

DNV/sp
Attachment

cc: Chairman Johnson
Commissioner Clark
Commissioner Deason
Commissioner Garcia
Commissioner Kiesling
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/
Causseaux/File Folder)
Division of Electric and Gas(Makin)
Miami District Office (Welch)

Research and Regulatory Review (Harvey)
Office of Public Counsel

Indiantown Gas Company
Colette M. Powers
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DOCUMENT NUMBER-DATE

13001/DEC 19 97

FROM: DIVISION OF RECORDS AND REPORTING

AUDIT EXCEPTION NO. 1

SUBJECT: REVENUES OVERSTATED

STATEMENT OF FACTS:

The company used the correct terms to calculate the amount billed to their residential customers in October 1996, but used the incorrect amount to calculate revenues on schedule A-2. In January and February 1997, the company used the incorrect terms to calculate the revenues from U.S. Generating Company on Schedule A-2. The bills to US Generating were subsequently revised but the changes were not reflected on the schedule A-2.

	Used to Calculate	Billed To Sch. A-2	Difference Customer
October 1996			
Residential			
Customers Therms	11,737	11,787	50
Cost of Gas	0.34171	0.34171	
PGA Revenue	\$4,010.65	\$4,027.71	(\$17.05)
January 1997			
Industrial			
US Generating Therms	1,206,595	1,165,727	40,868
PGA Revenue	\$ 538,263.00	\$ 520,031.30	\$18,231.70
February 1997			
Industrial			
US Generating Therms	712,843	671,975	40,868
PGA Revenue	\$ 232,570.00	\$221,138.92	<u>\$11,432.00</u>
Total Revenue Overstated on A-2			\$29,646.65

OPINION:

The total revenues on schedule A-2 for the six month period ended March 31, 1997 was overstated by \$29,646.65. Because the revenues on schedule A-2 were overstated, the true-up and interest for the six month period ended March 31, 1997 and September 30, 1997 were understated by \$29,937 and \$30,786 respectively.

	March 1997	September 1997
True-up Per Company A-2	\$21,345	(\$38,080)
Per Staff Calculation	(\$ 8,592)	(\$68,866)
Difference	(\$29,937)	(\$30,786)

The true-up and interest calculations are presented on the following pages.