

ORIGINAL

MEMORANDUM

January 8, 1998

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *al*

RE: DOCKET NO. 970063-GU -- WEST FLORIDA NATURAL GAS
RESPONSE TO PGA AUDIT REPORT
PERIOD ENDED SEPTEMBER 30, 1997
AUDIT CONTROL NO. 97-160-1-2

Peoples Gas System submitted the attached comments regarding the recent PGA audit of West Florida Natural Gas completed by the Bureau of Auditing. These comments are forwarded for your review.

DNV/sp

Attachment

cc: Chairman Johnson
Commissioner Clark
Commissioner Deason
Commissioner Garcia
Commissioner Jacobs
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)
Tampa District Office (Hicks)

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER - DATE

00463 JAN-98

APPROVED FOR FILING



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98 JAN -7 PM 1:14
MAIL ROOM

98 JAN -7 PM 1:50
AUDITING &
FINANCIAL ANALYSIS DIV.

January 5, 1998

Ms. Denise Vandiver
Division of Audit and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 970003-GU-West Florida Natural Gas Company
PGA Audit Report-Period Ended September 30, 1997
Audit Control #97-160-1-2

Dear Ms. Vandiver:

This letter represents our company's response to the Florida Public Service Commission audit report as referenced above. A verbal agreement was made between Joe McCormick, Sr. Gas Regulatory Consultant, Peoples Gas System, and Rhonda Hicks, Regulatory Analyst Supervisor, Florida Public Service Commission, to extend the response deadline to Monday, January 5, 1998.

Your audit staff reported in Audit Exception No. 1 that various A-2 Schedules filed by the West Florida Region of Peoples Gas System, formerly West Florida Natural Gas Company, for the 12 months ending September 30, 1997, did not agree with actual expenses posted to the general ledger. Your audit staff recommended that revised A-2 Schedules should be submitted.

In response to this recommendation, we believe that the A-2 Schedules are correct and that any differences that the Florida Public Service Commission audit staff found will require adjustments to the general ledger.

We will look into this matter immediately to determine what general ledger entries need to be made. If you have any questions concerning this matter, please contact me at (813)228-4149. My fax number is (813) 228-4194. Thank you.

Sincerely,

PEOPLES GAS SYSTEM

W. Edward Elliott

W. Edward Elliott
Manager-Gas Accounting

cc: Angie Llewellyn
Frank Sivard

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