

ORIGINAL

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January 15, 1998

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: South Florida Natural Gas Company; Docket No. ~~980003-GUA~~

Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas Company in connection with the hearings scheduled to begin February 25, 1998 in this docket are the original and 10 copies of the following:

1. Petition for Approval of South Florida Natural Gas Company's Purchased Gas Cost Recovery Factors; *00870-98*
2. Direct Testimony of Lou Defrain; and *00871-98*
3. Schedules E-1, E1/R, E-2, E-3, E-4 and E-5.

ACK _____
 AFA _____
 APP _____
 CME _____
 CMU _____
 CSR _____
ESG _____
 LEG 1 _____
 LHM 3 _____
 LPL _____
 RLB _____
 SEC _____
 WAS _____
 OTH _____

Handwritten Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter. Thank you for your assistance.

Yours very truly,

Norman H. Horton Jr.

Norman H. Horton, Jr.

cc: Mr. Lou J. Defrain
Ms. Anne V. Wood
Mr. John Davis
Parties of Record

00870

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment
(PGA) True-up

)
)

DOCKET NO. ~~980003-GU~~

DIRECT TESTIMONY OF L. DEFRAIN

On Behalf of South Florida Natural
Gas Company

Submitted for filing: January 12, 1998

DOCUMENT NUMBER-DATE

~~00871~~ JAN 15 88

FPSC-RECORDS/REPORTING

- 1 Q. Please state your name, occupation, and business address.
- 2 A. My name is Lou J. Defrain. I am Secretary-Treasurer of South Florida Natural
3 Gas Co. ("SFNG"). My business address is 101 Northwest 202 Terrace, Miami,
4 Florida.
- 5 Q. What is the purpose of your testimony?
- 6 A. The purpose of my testimony is to discuss SFNG's calculation of its levelized
7 purchased gas adjustment factor for the period April 1, 1998 through March 31,
8 1999.
- 9 Q. Would you please identify the Composite Exhibit which you are sponsoring with
10 this testimony?
- 11 A. Yes. As Composite Exhibit LD-1, I am sponsoring Schedules E-1, E-1/R, E-2,
12 E-3, E-4, and E-5.
- 13 Q. Were these schedules prepared under your direction and supervision?
- 14 A. Yes, they were.
- 15 Revised Estimate April 1997 - March 1998
- 16 Q. What is the revised estimate of total purchased gas costs for the period April
17 1997 - March 1998?
- 18 A. The revised projection of purchased gas cost for the current period is \$787,993.
- 19 Q. What is the revised projection of gas revenue to be collected for the current
20 period?
- 21 A. As shown on Schedule E-2, the company estimates the total gas revenue to be

1 collected during the period to be \$888,155. This amount includes a collection of
2 prior period undercollections in the amount of \$84,906. Therefore, the revenue
3 collected to cover the current period's gas cost is estimated to be \$803,249.

4 Q. What is the revised true-up amount, including interest, estimated for the April
5 1997 - March 1998 period?

6 A. The company estimates the revised true-up, including interest, to be an
7 overcollection of \$23,344.

8 April 1998 - March 1999 Projection

9 Q. How did you develop your projection of SFNG's cost of gas for the April 1998 -
10 March 1999 period?

11 A. Our first step was to estimate our supply requirements for each of the twelve
12 months in the period. Our projected supply requirements are based on our
13 projected sales and company use for each month. Once we develop our supply
14 requirements, we can then determine how these requirements will be met. In
15 other words, we match our estimated requirements with the gas supply that is
16 available to us. All of our gas requirements will be met utilizing firm
17 transportation service on FGT for the projected period of April 1998 - March
18 1999. Due to the complexity of transporting on FGT's system after
19 implementation of FERC Order 636, and the new gas control requirements on all
20 transporters, we have contracted with an energy services firm who furnishes our
21 gas supply, arranges for transportation of the supply to our system, monitors

1 volumes and adjusts receipts/deliveries as necessary, and makes all nominations
2 and balancing arrangements.

3 Q. Please describe the general steps or mechanics of projecting the total cost of gas
4 for the April 1998 - March 1999 period.

5 A. As shown on Schedule E-1 lines 1 - 11, the total cost of gas consists of the cost
6 of no-notice transportation service (NNTS) on FGT, the demand and commodity
7 costs of firm transportation service (FTS) on FGT, and the commodity cost of
8 gas estimated to be paid to our supplier during the period.

9 The cost of NNTS service (line 2) is based on SFNG's contract level with
10 FGT and an estimation of FGT's reservation charge for this service. The
11 reservation charge utilized for the period is the current rate in effect.

12 The demand and commodity portions of transportation system supply are
13 shown on Schedule E-1, lines 1, 4, and 5. The commodity pipeline amount (line
14 1) is based on FGT's current FTS commodity rate multiplied by the number of
15 therms projected to be transported for system supply.

16 The commodity other (line 4) is based on data shown on Schedule E-3
17 which details our projected direct supplier purchases for the twelve-month
18 period. We projected the "FTS" commodity cost on line 4 using a combination
19 of analyses. We analyzed the 1996 and 1997 monthly prices of natural gas
20 delivered to FGT by zone as reported in Inside FERC Gas Market Report. We
21 also reviewed the recent NYMEX postings for the period January 1998 through

1 March 1999. We developed our monthly index price of gas using the above data
2 and allowing for seasonal trends and current market pricing. To this index, we
3 added compressor fuel and our supplier's estimated margin for first of the month
4 pricing and swing service.

5 The demand component of SFNG's cost of gas (line 5) for the months of
6 April 1998 - March 1999 is calculated by multiplying SFNG's contract level for
7 capacity with FGT by FGT's current FTS demand rate.

8 Q. Based on the projected total cost of gas and projected sales, what is the weighted
9 average cost per therm for the twelve-month period ended March 1999?

10 A. This figure is shown on Schedule E-1, line 40, and is 33.057 cents per therm. To
11 arrive at the total PGA factor, the 33.057 cents per therm is adjusted for the
12 estimated total true-up through March 1998 (shown on Schedule E-4) and for
13 revenue-related taxes.

14 Q. What is the projected PGA factor for the period April 1998 - March 1999?

15 A. The projected PGA factor for the period is 27.780 cents per therm.

16 Q. The estimated total true-up for the twelve months ended March 1998 as
17 calculated on Schedule E-4 is included in the projected PGA factor for the period
18 April 1998 - March 1999. Please explain how it was calculated.

19 A. The final true-up amount for the period April 1996 - March 1997 is added to the
20 estimated end of period net true-up for April 1997 - March 1998. The April
21 1997 - March 1998 estimated true-up is based on eight months' actual data plus

1 four months' projected data.

2 Q. What is the impact of the total true-up for the twelve months ended March 31,
3 1998 on the projected PGA factor for the April 1998 - March 1999 period?

4 A. The projected true-up as of March 31, 1998 is an overrecovery of \$137,562
5 (Schedule E-4). Dividing the overrecovery by the April 1998 - March 1999
6 projected therm sales of 2,556,201 results in a refund of 5.381 cents per therm
7 to be included in the proposed PGA factor.

8 Q. What is the maximum levelized purchased gas factor (cap) that you are proposing
9 for the April 1998 - March 1999 period?

10 A. The maximum levelized purchased gas factor (cap) that we are proposing for the
11 period is 27.780 cents per therm.

12 Q. Does this conclude your testimony?

13 A. Yes, it does.

SOUTH FLORIDA NATURAL GAS CO.

APRIL 1998 - MARCH 1999

PURCHASED GAS PROJECTION FILING

EXHIBIT LD-1

COMPANY: SOUTH FLORIDA NATURAL GAS CO.
 ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSE CALCULATION
 APRIL 98 Through MARCH 99

COST OF GAS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	967	724	596	590	521	528	588	797	1,117	1,340	1,341	1,194	10,301
2 NO NOTICE SERVICE	407	219	212	201	201	177	183	781	823	1,280	743	823	6,032
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	44,408	39,507	34,581	32,842	28,974	34,359	46,964	66,242	72,068	77,472	99,141	54,826	631,203
5 DEMAND	8,756	6,978	5,666	4,945	5,250	4,929	4,743	28,850	29,605	29,605	26,740	29,605	185,470
6 MANAGEMENT FEE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
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 CO (1+2+3+4+5+6)-(7+8+9+10)	55,537	48,427	42,055	39,378	35,946	40,993	53,478	97,450	104,634	110,696	128,965	87,448	845,006
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 TOTAL THERM SALES	44,073	36,963	30,591	27,914	24,483	29,530	42,013	85,987	93,170	99,234	117,502	75,985	707,444
THERMS PURCHASED													
15 COMMODITY (Pipeline) BILLING DETERMINANTS ONLY	240,033	179,579	147,781	146,375	129,347	131,140	145,400	197,738	277,263	332,499	332,689	296,357	2,556,201
16 NO NOTICE SERVICE BILLING DETERMINANTS ONLY	69,000	37,200	36,000	34,100	34,100	30,000	31,000	129,000	139,500	217,000	128,000	139,500	1,022,400
17 SWING SERVICE COMMODITY	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other) COMMODITY	240,033	179,579	147,781	146,375	129,347	131,140	145,400	197,738	277,263	332,499	332,689	296,357	2,556,201
19 DEMAND BILLING DETERMINANTS ONLY	537,600	149,730	144,900	149,730	149,730	144,900	285,200	661,500	683,550	683,550	617,400	683,550	4,891,340
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)-(21+23)	240,033	179,579	147,781	146,375	129,347	131,140	145,400	197,738	277,263	332,499	332,689	296,357	2,556,201
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES	240,033	179,579	147,781	146,375	129,347	131,140	145,400	197,738	277,263	332,499	332,689	296,357	2,556,201
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403	0.403
29 NO NOTICE SERVICE (2/16)	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590
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)	18.500	22.000	23.400	22.300	22.400	26.200	32.300	33.500	26.000	23.300	29.800	18.500	24.893
32 DEMAND (5/19)	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.772	3.792
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)	23.137	26.967	28.457	26.902	27.791	31.259	36.779	49.282	37.738	33.293	31.765	29.508	33.057
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)	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
40 TOTAL THERM SALES (11/27)	23.137	26.967	28.457	26.902	27.791	31.259	36.779	49.282	37.738	33.293	31.765	29.508	33.057
41 TRUE-UP (E-2)	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381	-5.381
42 TOTAL COST OF GAS (40+41)	17.756	21.586	23.076	21.521	22.410	25.878	31.398	43.901	32.357	27.912	33.384	24.127	27.676
43 REVENUE TAX FACTOR	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764
44 PGA FACTOR ADJUSTED FOR (42+43)	17.823	21.667	23.163	21.602	22.494	25.975	31.516	44.067	32.479	28.017	33.509	24.218	27.780
45 PGA FACTOR ROUNDED TO NEAREST .001	17.823	21.667	23.163	21.602	22.494	25.975	31.516	44.067	32.479	28.017	33.509	24.218	27.780

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSE CALCULATION
 APRIL 98 Through MARCH 99

COMPANY: SOUTH FLORIDA NATURAL GAS CO.
 REVISED ESTIMATE FOR THE PROJECTED PERIOD:

	REVISED PROJECTIONS												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
COST OF GAS PURCHASED													
1 COMMOITY (Pipeline)	1,281	445	398	389	364	364	615	835	1,390	1,290	1,294	1,189	9,853
2 NO NOTICE SERVICE	573	309	299	283	249	249	249	761	823	1,280	743	823	8,875
3 SWING SERVICE			(778)	0	(1,038)	356	0	262	0	0	0	0	(1,186)
4 COMMOITY (Other)	38,585	34,179	29,072	25,200	34,801	33,378	49,201	77,733	82,489	75,228	75,435	89,325	822,828
5 DEMAND	14,728	6,754	6,029	5,828	5,517	5,517	9,115	19,247	29,805	12,075	12,108	11,127	138,035
6 MONTH FEE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
LESS END-USE CONTRACT													
7 COMMOITY (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	54,147	42,687	36,020	32,775	41,258	40,864	60,180	99,938	115,207	90,873	90,580	83,464	787,983
11 TOTAL CO (1+2+3+4+5+6)-(7+8+9+10)	(11,043)	(17,035)	(7,405)	896	8,318	(4,945)	15,677	7,220	0	0	0	0	(9,919)
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	83,435	71,889	60,956	77,910	41,754	57,300	72,508	92,031	117,346	72,714	72,920	87,586	888,155
14 TOTAL THERM SALES	197,980	155,160	138,500	135,600	133,850	128,750	152,680	231,940	319,400	320,000	321,000	295,000	2,527,860
THERMS PURCHASED													
15 COMMOITY (Pipeline)	69,000	37,200	38,000	34,100	34,100	30,000	30,000	129,000	139,500	217,000	128,000	139,500	1,021,400
16 NO NOTICE SERVICE	197,980	155,160	138,500	135,600	133,850	128,750	152,680	231,940	319,400	320,000	321,000	295,000	2,527,860
17 SWING SERVICE	197,980	155,160	138,500	135,600	133,850	128,750	152,680	231,940	319,400	320,000	321,000	295,000	2,527,860
18 COMMOITY (Other)	0	0	0	0	0	0	0	0	0	0	0	0	0
19 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
21 COMMOITY (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)-(21-23)	(25,442)	(39,245)	(17,060)	2,064	14,551	(10,471)	36,118	37,938	0	0	0	0	(1,557)
25 NET UNBILLED	118	117	154	124	0	0	0	0	0	0	0	0	513
26 COMPANY USE	192,220	165,159	140,432	176,492	96,195	132,018	197,047	233,316	319,400	320,000	321,000	295,000	2,558,279
27 TOTAL THERM SALES	0.637	0.287	0.287	0.287	0.287	0.287	0.403	0.403	0.403	0.403	0.403	0.403	0.390
28 COMMOITY (Pipeline) (1/15)	0.830	0.831	0.831	0.830	0.830	0.830	0.830	0.990	0.990	0.990	0.990	0.990	0.654
29 NO NOTICE SERVICE (2/16)	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
30 SWING SERVICE (3/17)	18.479	22.028	20.991	18.584	26.334	26.334	32.225	33.514	25.828	23.509	23.509	23.509	24.631
31 COMMOITY (Other) (4/18)	7.439	4.353	4.353	4.353	4.353	4.353	5.970	8.298	9.269	3.773	3.772	3.772	5.461
32 DEMAND (5/19)	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
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 COMMOITY Pipeline (1/21)	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	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)	27.350	27.512	26.007	24.170	30.824	32.240	39.418	43.088	36.070	28.398	28.218	28.293	31.172
38 NET UNBILLED (12/25)	43.405	43.407	43.406	43.411	43.406	43.406	43.405	43.405	43.405	43.405	43.405	43.405	637.058
39 COMPANY USE (13/26)	28.169	25.646	25.649	18.570	42.890	30.953	36.028	42.834	36.070	28.398	28.218	28.293	30.802
40 TOTAL THERM SALES (11/27)	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980	3.9980
41 TRUE-UP (E-7)	31.567	29.244	29.047	21.968	46.288	34.351	39.424	46.232	39.468	31.796	31.716	31.691	34.200
42 TOTAL COST OF GAS (40+41)	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764	1,003,764
43 REVENUE TAX ADJUSTOR (42+43)	31.686	29.354	29.157	22.051	46.462	34.481	39.572	46.406	39.572	31.915	31.735	31.810	34.328
44 POA FACTOR ADJUSTOR FOR (42+43)	31.686	29.354	29.157	22.051	46.462	34.481	39.572	46.406	39.572	31.915	31.735	31.810	34.328
45 POA FACTOR ROUNDED TO NEAREST .001	31.686	29.354	29.157	22.051	46.462	34.481	39.572	46.406	39.572	31.915	31.735	31.810	34.328

CALCULATION OF TRUE-UP AMOUNT
 APRIL 98 Through MARCH 99

COMPANY: SOUTH FLORIDA NATURAL GAS CO.
 FOR THE CURRENT PERIOD:

	REVISED PROJECTION												TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	37,585	35,179	30,072	26,200	25,801	34,724	50,201	78,965	83,489	78,228	78,035	70,325	835,244
2 TRANSPORTATION COST	16,562	7,509	5,948	6,575	5,457	8,130	9,979	20,943	31,718	14,845	14,145	13,139	152,750
3 TOTAL	54,147	42,688	36,020	32,775	31,258	40,854	60,180	99,908	115,207	90,873	90,580	83,464	787,994
4 FUEL REVENUES	83,435	71,889	60,956	77,910	41,754	57,304	72,508	92,031	117,348	72,714	72,320	87,586	888,155
(NET OF REVENUE TAX)													
5 TRUE-UP COLLECTED OR (REFUNDED)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(7,076)	(84,906)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	78,369	64,813	53,890	70,834	34,678	50,228	65,432	84,955	110,272	65,638	65,344	60,516	803,249
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	22,212	21,825	17,860	38,059	(6,580)	9,384	5,252	(14,983)	(4,935)	(25,235)	(24,737)	(22,948)	15,254
8 INTEREST PROVISION-THIS PERIOD (21)	208	343	471	638	742	781	848	868	875	871	771	694	8,089
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	29,391	58,887	88,232	113,638	159,409	180,647	177,868	191,044	184,004	187,021	169,714	152,825	1,872,879
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	84,906
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9-10+10a)	58,887	88,232	113,638	159,409	180,647	177,868	191,044	184,004	187,021	169,714	152,825	137,641	1,872,879
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	29,391	58,887	88,232	113,638	159,409	180,647	177,868	191,044	184,004	187,021	169,714	152,825	1,872,879
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	58,679	87,888	113,168	158,773	199,905	177,887	190,196	183,137	186,145	168,862	152,054	136,947	1,772,839
14 TOTAL (12+13)	88,070	146,776	201,399	272,412	319,314	337,733	368,063	374,180	370,150	355,882	321,765	289,771	3,446,519
15 AVERAGE (50% OF 14)	44,035	73,388	100,700	136,206	159,657	168,867	184,032	187,090	185,075	177,941	160,884	144,886	1,722,759
16 INTEREST RATE - FIRST DAY OF MONTH	5.740%	5.620%	5.600%	5.620%	5.580%	5.570%	5.530%	5.530%	5.600%	5.750%	5.750%	5.750%	5.750%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.620%	5.600%	5.620%	5.580%	5.570%	5.530%	5.530%	5.600%	5.750%	5.750%	5.750%	5.750%	5.750%
18 TOTAL (16+17)	11,360%	11,220%	11,220%	11,200%	11,150%	11,100%	11,060%	11,130%	11,350%	11,500%	11,500%	11,500%	11,500%
19 AVERAGE (50% OF 18)	5,680%	5,610%	5,610%	5,600%	5,575%	5,550%	5,530%	5,565%	5,675%	5,750%	5,750%	5,750%	5,750%
20 MONTHLY AVERAGE (19/12 Months)	0.473%	0.468%	0.468%	0.467%	0.465%	0.463%	0.461%	0.464%	0.473%	0.479%	0.479%	0.479%	0.479%
21 INTEREST PROVISION (15x20)	208	343	471	638	742	781	848	868	875	871	771	694	8,089

COMPANY: SOUTH FLORIDA NATURAL GAS CO.

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3
EXHIBIT NO. _____
DOCKET NO. 99-0003-GU
SOUTH FLORIDA NATURAL GAS
LD-1
PAGE 4 OF 6

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 98 Through MARCH 99

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASE	COMMODITY COST		DEMAND COST	OTHER CHARGE ACA/GRV/FUEL	CENTS PER THERM
							THIRD PARTY	PIPELINE			
APRIL	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	240,033	0	240,033	44,408	967	8,756		22.551
MAY	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	179,579	0	179,579	39,507	724	6,976		26.288
JUNE	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	147,781	0	147,781	34,581	596	5,666		27.637
JULY	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	146,370	0	146,375	32,642	590	4,945		26.081
AUGUST	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	129,347	0	129,347	28,974	521	5,250		26.862
SEPT	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	131,140	0	131,140	34,359	528	4,929		30.362
OCT	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	145,400	0	145,400	46,964	586	4,743		35.965
NOV	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	197,738	0	197,738	66,242	797	28,650		48.392
DEC	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	277,263	0	277,263	72,088	1,117	29,605		37.081
JAN	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	332,499	0	332,499	77,472	1,340	29,605		32.607
FEB	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	332,689	0	332,689	99,141	1,341	26,740		38.241
MAR	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	296,357	0	296,357	54,826	1,194	29,605		28.893
TOTAL				2,556,201	0	2,556,201	631,203	10,301	185,470	0 (1)	32.352

(1) COST INCLUDED IN PIPELINE COMMODITY

COMPANY: SOUTH FLORIDA NATURAL GAS CO.

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4
EXHIBIT NO _____
DOCKET NO. 980003-GU
SOUTH FLORIDA NATURAL GAS
LD-1

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL 98

Through

MARCH 99

PAGE 5 OF 6

	PRIOR PERIOD: APRIL 96 - MARCH 97			CURRENT PERIOD: APRIL 97 - MARCH 98	
	(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 \$ GAS REVENUES	894,727	880,076	(14,651)	803,249	788,598
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(78,600)	34,955	113,555	15,254	128,809
3 INTEREST PROVISION FOR THIS PERIOD	3,271	3,934	663	8,089	8,752
4 END OF PERIOD TOTAL NET TRUE-UP	(75,329)	38,889	114,218	23,344	137,562 (1)

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

(+) = OVERRECOVERY
(-) = UNDERRECOVERY

COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2)
COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)
LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)
LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

137,562 equals \$0.05381 PER THERM
2,556,201 TRUE-UP REFUND

(1) DIFFERENCE FROM SCHEDULE E-2 IS \$79 DIFFERENCE FROM A PRIOR PERIOD

