

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date JULY 7, 1998

Docket No. 980845-GU

1. Division Name/Staff Name AFAD/P.LEE
2. DPR AFAD
3. OCR E&G
4. Suggested Docket Title Indiantown Gas Company, Inc. 1998 Depreciation Study.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:

- Documentation is attached.
 Documentation will be provided with the recommendation.

INDIANTOWN

Gas company, inc.



CLEAN AND EFFICIENT NATURAL GAS AND PROPANE GAS FOR ALL YOUR ENERGY NEEDS

July 1, 1998

Ms. Patricia Lee
Auditing & Financial Analysis Division
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0865

98 JUL -2 AM 3:15
AUDITING & FINANCIAL ANALYSIS DIV
FLORIDA PUBLIC SERVICE COMMISSION

Dear Pat:

Please find enclosed on behalf of Indiantown Gas Co. our Depreciation Study for 1997 Schedules filed include Plant Investment Activity, Reserve Activity, and the schedules provided by you. Your schedules are also included on the enclosed diskette.

In 1995, Indiantown Gas added US Generating Company, a 330 Megawatt coal fired cogeneration facility to its system. This required the uprating of our steel main from 100 to 250 psi M.A.O.P.. In addition a new M&R station was added to the system. This is the only significant change that has occurred since the last study. The only change going forward is our replacement of 2.5 miles of bare steel pipe with plastic pipe. This project has already begun and will continue over the next four years.

I appreciate all the help you have given us in filing this. Please let me know if there is any additional information that you may need to complete the study.

Sincerely,

Brian J. Powers
General Manager
Indiantown Gas Co.

Pat kept
the diskette.

INDIANTOWN GAS COMPANY
 1997 STUDY
 COMPARISON OF RATES AND COMPONENTS

30-Jun-98 Sheet B	ACCOUNT	CURRENT AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	REMAINING LIFE RATE (%)	COMPANY PROPOSAL AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
GAS DISTRIBUTION								
	376 Mains - Steel	19.6	(30.0)	3.1	0.0	0.0	84.87	ERR
	376 Mains - Plastic	19.0	(30.0)	3.0	0.0	0.0	46.94	ERR
	378 M&R Equipment - General	15.3	0.0	2.0	0.0	0.0	54.82	ERR
	380 Services - Steel	17.4	(35.0)	3.2	0.0	0.0	97.37	ERR
	380 Services - Plastic	16.0	(35.0)	3.5	0.0	0.0	63.21	ERR
	381 Meters	13.1	0.0	1.6	0.0	0.0	30.93	ERR
	382 Meter Installations	23.0	(5.0)	1.5	0.0	0.0	51.70	ERR
	383 House Regulators	16.7	0.0	2.0	0.0	0.0	22.68	ERR
	384 House Regulators - Installations	23.0	0.0	1.0	0.0	0.0	82.41	ERR
	385 M&R Equipment - Industrial	11.9	0.0	2.8	0.0	0.0	24.73	ERR
	387 Other Equipment	25.0	0.0	4.0 *	0.0	0.0	ERR	ERR
GENERAL PLANT								
	391 Computer Equipment - Embedded	5.3	0.0	0.5	0.0	0.0	0.00	ERR
	Computer Equip. - Post '92 Adds.	8.0	0.0	12.5 *	0.0	0.0	193.03	ERR
	392 Small tools - Post '92 Adds	20.0	0.0	5.0 *	0.0	0.0	19.13	ERR

* denotes whole life rate.

INDIANTOWN GAS COMPANY
1997 STUDY
COMPARISON OF EXPENSES

30-Jun-98 Sheet C	ACCOUNT	CURRENT		COMPANY PROPOSAL		CHANGE IN EXPENSES \$		
		INVESTMENT (\$)	RESERVE (\$)	RATE (%)	EXPENSES (\$)		RATE %	EXPENSES \$
GAS DISTRIBUTION								
376	Mains - Steel	142,039	120,542	3.1	4,403	ERR	ERR	ERR
376	Mains - Plastic	293,388	137,703	3	8,802	ERR	ERR	ERR
378	M&R Equipment - General	47,581	28,086	2	952	ERR	ERR	ERR
380	Services - Steel	18,517	18,031	3.2	593	ERR	ERR	ERR
380	Services - Plastic	30,866	19,522	3.5	1,081	ERR	ERR	ERR
381	Meters	39,234	12,134	1.6	628	ERR	ERR	ERR
382	Meter Installations	6,530	3,376	1.5	98	ERR	ERR	ERR
383	House Regulators	11,359	2,576	2	227	ERR	ERR	ERR
384	House Regulators - Installations	2,425	1,998	1	24	ERR	ERR	ERR
385	M&R Equipment - Industrial	100,995	24,978	2.8	2,828	ERR	ERR	ERR
387	Other Equipment	0	0	4 *	0	ERR	ERR	ERR
	Total Distribution	692,954	366,947		19,636		ERR	ERR
GENERAL PLANT								
391	Computer Equipment - Embedded	32,417	0	0.5	162	ERR	ERR	ERR
	Computer Equip. - Post '92 Adds.	33,862	65,364	12.5 *	4,233	ERR	ERR	ERR
392	Small tools - Post '92 Adds	70,550	13,493	5 *	3,528	ERR	ERR	ERR
	Total General	136,830	78,857		7,923		ERR	ERR
	Total Plant	829,784	445,804		27,559		ERR	ERR

* Denotes whole life rate.

@ Investment and reserve should be stated as of the requested implementation date for revised rates.

THEORETICAL RESERVE STUDY

30-Jun-98
Sheet D

ACCOUNT	INVESTMENT (\$)	RESERVE (\$)	AVERAGE SERVICE LIFE YRS	NET SALVAGE %	WHOLE LIFE RATE %	REMAINING LIFE YRS	THEORETICAL RESERVE %	THEORETICAL RESERVE \$	IMBALANCE \$
GAS DISTRIBUTION									
376 Mains - Steel	142,039	120,542	0.0	0.0	ERR	0.0	ERR	ERR	ERR
376 Mains - Plastic	293,388	137,703	0.0	0.0	ERR	0.0	ERR	ERR	ERR
378 M&R Equipment - General	47,581	26,086	0.0	0.0	ERR	0.0	ERR	ERR	ERR
380 Services - Steel	18,517	18,031	0.0	0.0	ERR	0.0	ERR	ERR	ERR
380 Services - Plastic	30,886	19,522	0.0	0.0	ERR	0.0	ERR	ERR	ERR
381 Meters	39,234	12,134	0.0	0.0	ERR	0.0	ERR	ERR	ERR
382 Meter Installations	6,530	3,376	0.0	0.0	ERR	0.0	ERR	ERR	ERR
383 House Regulators	11,359	2,576	0.0	0.0	ERR	0.0	ERR	ERR	ERR
384 House Reg. Installations	2,425	1,998	0.0	0.0	ERR	0.0	ERR	ERR	ERR
385 M&R Equipment - Industrial	100,995	24,978	0.0	0.0	ERR	0.0	ERR	ERR	ERR
387 Other Equipment	0	0	0.0	0.0	ERR	0.0	ERR	ERR	ERR
Total Distribution	692,954	366,947						ERR	ERR
GENERAL PLANT									
391 Computer Equipment - Embedded	32,417	0	0.0	0.0	ERR	0.0	ERR	ERR	ERR
Computer Equip. - Post '92 Adds.	33,862	65,364	0.0	0.0	ERR	0.0	ERR	ERR	ERR
392 Small tools - Post '92 Adds	70,550	13,493	0.0	0.0	ERR	0.0	ERR	ERR	ERR
Total General	156,902	78,857						ERR	ERR
Total Plant	849,857	445,804						ERR	ERR

INDIANTOWN GAS CO
1997 DEPRECIATION STUDY
PLANT ACTIVITY 1993 - 1997

ACCOUNT	1993				994				1995				1996				1997							
	BEG BAL	ADDNS	RETMTS	ADJTS	END BAL	BEG BAL	ADDNS	RETMTS	ADJTS	END BAL	BEG BAL	ADDNS	RETMTS	ADJTS	END BAL	BEG BAL	ADDNS	RETMTS	ADJTS	END BAL				
GAS DISTRIBUTION																								
303 Misc - Intangible Plant	101,492				101,492					101,492					101,492					101,492				
376 Mains - Steel	111,961				111,961		329			111,632	31,245	67			142,810					142,810				
376 Mains - Plastic	173,861	10,940			184,801	86,235				271,036					271,036	10,154		7,097		288,287				
378 M&R Equipment - General	29,164	4,508			33,672	4,754				38,426	7,660				46,086					46,086				
380 Services - Steel	19,653				19,653					19,653					19,653					19,653				
380 Services - Plastic	19,653	180			19,833	1,555				21,388	10,410				31,798	6,216		(10,411)		27,603				
381 Meters	18,227		3,147		15,080	243				15,323	1,561				16,884	21,945				38,829				
382 Meter Installations	4,352	180			4,532	162				4,694	141				4,835	1,372				6,207				
383 House Regulators	3,792		72		3,720	678				4,398					4,398	7,434				11,832				
384 House Regulators - Installations	2,432		7		2,425					2,425					2,425					2,425				
385 M&R Equipment - Industrial	35,196	2,396			37,592	63,139				100,731	12,043	11,780			100,994					100,994				
387 Other Equipment	0				0					0	0				0					0				
Total Distribution	519,783	18,204	3,226	0	534,761	156,766	329	0	691,198	691,198	63,060	11,847	0	742,411	742,411	47,121	0	(3,314)	786,218	786,218	10,833	2,605	0	794,446
GENERAL PLANT																								
390 Structures & Improvements	0				0					0					0	3,485				3,485				
391 Computer Equipment - Embedded	32,417				32,417					32,417					32,417					32,417				
391 Computer Equip - Post '92 Adds	0	1,974			1,974	1,663				18,606	5,314				23,920	7,189				31,109				
392 Transportation Equip	0	51,199			51,199	11,389				62,588	17,772	11,651			68,709	11,963	10,122			70,550				
394 Tools, Shop, Garage Equip	1,059		1,059		0	2,745				2,745	2,268				5,013	794	545			5,262				
396 Power Operated Equip	0				0					0					0	9,824				9,824				
397 Communications Equip	0				0					0					0					0				
Total General	33,476	53,173	1,059	0	85,590	30,766	0	0	116,356	116,356	25,354	11,651	0	130,059	130,059	33,255	10,667	0	152,647	152,647	4,256	0	0	156,903
Total Plant	553,259	71,377	4,285	0	620,351	187,532	329	0	807,554	807,554	88,414	23,498	0	872,470	872,470	80,376	10,667	(3,314)	938,865	938,865	15,089	2,605	0	951,349

INDIAN OIL & GAS CO
1987 DEPRECIATION STUDY
RESERVE ACTIVITY 1983 - 1997

ACCOUNT	1983*				1984**				1985				1986				1987						
	BEG BAL	ACCR	RETMTS	GROSS COST OF SALV. REMOVAL ADJ'TS END BAL	BEG BAL	ACCR	RETMTS	GROSS COST OF SALV. REMOVAL ADJ'TS END BAL	BEG BAL	ACCR	RETMTS	GROSS COST OF SALV. REMOVAL ADJ'TS END BAL	BEG BAL	ACCR	RETMTS	GROSS COST OF SALV. REMOVAL ADJ'TS END BAL	BEG BAL	ACCR	RETMTS	GROSS COST OF SALV. REMOVAL ADJ'TS END BAL			
GAS DISTRIBUTION																							
303 Misc - Intangible Plant	75750			75,750	75750			81,845	81845	3045			84,890	84,890	3,045			87,935	87,934	3,045			80,879
376 Misc - Steel	99959			99,959	99959			108,480	108480	4284			112,744	112,744	4,284			117,028	117,028	3,914			120,542
376 Misc - Plastic	103100			103,100	103100			114,914	114914	7205	262		121,857	121,857	7,199			128,053	128,053	8,949			137,702
376 M&R Equipment - General	20236			20,236	20236			22,368	22368	1153			23,581	23,581	1,152			24,703	24,703	1,383			26,086
380 Services - Steel	15432			15,432	15432			16,827	16827	747			17,874	17,874	747	0		18,421	18,421	747	1,138		20,304
380 Services - Plastic	15278			15,278	15278			16,844	16844	813			17,957	17,957	813	0		18,470	18,470	1,052			19,522
381 Meters	11909			11,909	11909			12,395	12395	245			12,640	12,640	245			12,886	12,886	821			14,879
382 Meter Installations	3075			3,075	3075			3,203	3203	56			3,259	3,259	66			3,325	3,325	255			3,784
383 House Regulators	2901			2,901	2901			2,857	2857	84			2,741	2,741	84			2,825	2,825	225			3,322
384 House Regulators - Industrial	1578			1,578	1578			1,828	1828	24			1,950	1,950	24			1,974	1,974	24			1,898
385 M&R Equipment - Industrial	24857			24,857	24857			28,582	28582	2720	11780		19,532	19,532	2,720			21,252	21,252	2,727			24,979
387 Other Equipment	0			0	0			0	0	0			0	0	0			0	0	0			0
Total Distribution	373,876	0	0	373,876	373,876	36,185	0	410,161	410,161	20,376	12,042	0	418,495	418,495	20,376	0	0	438,871	438,870	22,242	3,165	0	464,297
GENERAL PLANT																							
390 Structures & Improvements	0			0	0			0	0	499			0	0	491			0	0	491			491
391*** Computer Equipment - Embedded	0			0	0	29680		26,680	26,680	499			31,349	31,349	3,721			28,717	27,577	4,451			32,026
391*** Computer Equip - Post '82 Adts	0			0	0	15007		15,007	15,007	2627			17,634	17,634	3,575			27,562	26,702	4,813			33,335
391*** Transportation Equip	0			0	0	11378		11,378	11,378	8258	10401		7,238	7,238	6,259	10,122	1,585	6,438	6,438	7,055			13,493
391*** Tools, Shop, Garage Equip	0			0	0	0		0	0	0			0	0	900			695	695	263			918
391*** Power Operated Equip	0			0	0	0		0	0	0			0	0	0			0	0	0			0
391*** Communications Equip	0			0	0	0		0	0	0			0	0	47			0	0	47			47
Total General	0	0	0	0	0	53,065	0	53,065	53,065	13,556	10,401	0	56,219	56,219	14,155	2,165	0	63,372	63,372	16,940	0	0	80,312
Total Plant	373,876	0	0	373,876	373,876	89,250	0	463,226	463,226	33,931	22,443	0	474,714	474,714	34,531	2,165	0	502,243	502,242	39,182	3,165	0	544,609

*No depreciation taken in 1983, therefore entries were doubled in 1984 to compensate

**As per 1982 CPR Audit General Plant Depreciation was from Coston to separate accounts for utility and non-utility. Journal entries to establish this were made in 1984

***Depreciation for embedded and Post '82 computer equip allocated on percentage basis

INDIANTOWN GAS COMPANY
1997 STUDY
DATA ENTRY SHEET

30-Jun-98
Sheet A

ACCOUNT	INVESTMENT @	RESERVE @	C U R R E N T				COMPANY PROPOSAL		NET SALVAGE	AGE	CURVE
			AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE	CURVE	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE			
GAS DISTRIBUTION											
376 Mains - Steel	142,039	120,542	40.0	19.6	(30.0)	S4					
376 Mains - Plastic	293,388	137,703	40.0	19.0	(30.0)	S4					
378 M&R Equipment - General	47,581	26,086	35.0	15.3	0.0	R4					
380 Services - Steel	18,517	18,031	36.0	17.4	(35.0)	R3					
380 Services - Plastic	30,886	19,522	35.0	16.0	(35.0)	S3					
381 Meters	39,234	12,134	25.0	13.1	0.0	S4					
382 Meter Installations	6,530	3,376	35.0	23.0	(5.0)	S3					
383 House Regulators	11,359	2,576	30.0	16.7	0.0	R3					
384 House Regulators - Installations	2,425	1,998	35.0	23.0	0.0	S3					
385 M&R Equipment - Industrial	100,995	24,978	30.0	11.9	0.0	S4					
387 Other Equipment	0	0	25.0	25.0	0.0	NA					
Total Distribution	692,954	366,947									
GENERAL PLANT											
390 Structures & Improvements	3,485	491						31.0			
391 Computer Equipment - Embedded	32,417	0	10.0	5.3	0.0	S2					
Computer Equip. - Post '92 Adds.	33,862	65,364	8.0	8.0	0.0	NA					
392 Transportation Equip	70,550	13,493	20.0	20.0	0.0	NA					
394 Tools, Shop, Garage Equip	5,261	913					20.0	18.0			
396 Power Operated Equip	9,824	0					20.0	19.0			
397 Communications Equip	1,502	47					8.0	8.0			
Total General	156,902	78,857									
Total Plant	849,857	445,804									

@ Investment and reserve should be stated as of the requested implementation date for revised rates.