

ORIGINAL

MEMORANDUM

August 12, 1998

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 980003-GU -- INDIANTOWN GAS COMPANY  
 AUDIT REPORT - PGA - SIX MONTHS ENDED MARCH 31, 1998  
 AUDIT CONTROL NO. 98-160-4-1

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The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit was prepared using a micro computer and has been recorded on one diskette. The diskette may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are no confidential working papers associated with this audit.

Please forward a complete copy of this audit report to:

Indiantown Gas Company  
 Colette M. Powers  
 P. O. Box 8  
 Indiantown, FL 34956-0008

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)  
 Miami District Office (Welch)

Research and Regulatory Review (Harvey)  
 Office of Public Counsel

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING



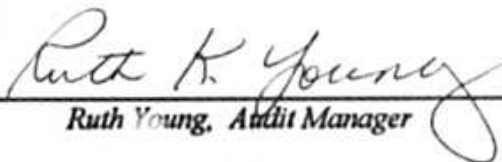
FLORIDA PUBLIC SERVICE COMMISSION  
*DIVISION OF AUDITING AND FINANCIAL ANALYSIS*  
*BUREAU OF AUDITING*  
*MIAMI DISTRICT OFFICE*

INDIANTOWN GAS COMPANY

PURCHASED GAS ADJUSTMENT

SIX MONTHS ENDED MARCH 31, 1998

DOCKET NO. 980003-GU  
AUDIT CONTROL NO. 98-160-4-1

  
Ruth Young, Audit Manager

  
Kathy Welch, Audit Supervisor

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**DIVISION OF AUDITING AND FINANCIAL ANALYSIS  
AUDITOR'S REPORT**

**AUGUST 5, 1998**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES**

We have applied the procedures described later in this report to audit the accompanying Purchased Gas Adjustment, Schedules A-2, for the six months ending March 31, 1998. These schedules were prepared by the utility as part of its Purchased Gas Adjustment true-up filings in Docket No. 980003-GU.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

In our opinion, the schedules referred to above present fairly, in all material respects, the utility's books and records, maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission. The attached findings discuss all differences and other matters which were noted during our examination.

## **SUMMARY OF SIGNIFICANT PROCEDURES**

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

**Scanned** - The documents or accounts were read quickly looking for obvious errors.

**Compiled** - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

**Reviewed** - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

**Examined** - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

**Verify** - The item was tested for accuracy, and substantiating documentation was examined.

**Revenues:** Recalculated PGA revenues for the six months ended March 31, 1998 by determining the terms sold and applying the amount the company billed to their residential, commercial and industrial customers. The recalculated amounts were compared with the A-2 schedules. The amounts billed to the customers were compared with the cap allowed by the Commission.

**Expenses:** Compiled cost of gas for the six months ended March 31, 1998. Agreed the cost of gas to invoices from the supplier. Traced the months costs to the Cash Disbursements Journal. Scanned the Cash Receipts journal to determine if refunds were received.

**True-up and Interest:** Recalculated the true-up and interest amounts for the six months. Traced the interest rates to the Wall Street Journal.

**AUDIT DISCLOSURE 1**

**SUBJECT: COST OF GAS BILLED TO CUSTOMERS**

**STATEMENT OF FACTS:**

According to PSC-97-0292-FOF-GU, Indiantown Gas was authorized to collect for this time period a cap of 36.17400. This includes the tax factor. The cap divided by 1.019110 is 35.49568. This is the highest amount the company could bill.

In the month of November, 1997, the company billed two industrial customers above the cap. They billed Caulkins at 37.140 and U.S. Generating at 40.320.

The company stated that they do not consider the cap with these two customers. They provide these customers gas at wholesale. These customers meters are read on the first of the month and Indiantown waits until they get their cost of gas bill (in about 7 days) and bill these two customers at the actual rate.

**AUDIT DISCLOSURE 2**

**SUBJECT: REGULATORY ASSESSMENT FEE RETURN**

**STATEMENT OF FACTS:**

The company did not include a portion of the gross receipts tax revenue in their regulatory assessment fee return for the six months ended December, 1997. The company stated that beginning January 1, 1998 all gross receipts tax revenue would be included in their regulatory assessment fee return.

The PGA true-up is not effected by the gross receipts tax revenue. The amounts for the year end 1997 not included in the regulatory assessment fee return will be addressed in the surveillance audit now being performed by the audit staff.

**EXHIBITS**



COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2  
(REVISED 8/18/93)

FOR THE PERIOD OF: APRIL 97 Through MARCH 98

	CURRENT MONTH: OCTOBER 1997				PERIOD TO DATE			
	ACTUAL	ORIGINAL ESTIMATE	DIFFERENCE		ACTUAL	ORIGINAL ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
<b>TRUE-UP CALCULATION</b>								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	238,440	238,440	0	175.27	1,917,368	689,441	747,927	80.02
3 TOTAL	238,440	238,440	0	175.27	1,917,368	689,441	747,927	80.02
4 FUEL REVENUES	232,428	232,428	0	170.80	1,554,339	689,441	684,898	78.77
5 FUEL OF REVENUE TAX	(449)	(449)	0	0.00	(3,143)	(3,143)	0	0.00
6 TRUE-UP (COLLECTED) OR REFUNDED	231,977	231,977	0	171.49	1,551,196	686,298	684,898	79.08
7 TRUE-UP PROVISION - THIS PERIOD	(4,463)	(4,463)	(4,014)	893.99	(68,172)	(3,143)	(63,029)	2,005.36
8 INTEREST PROVISION - THIS PERIOD (LINE 6 - LINE 7)	(185)	0	(185)	0.00	(995)	0	(995)	0.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(38,080)	(5,387)	(32,693)	608.89	21,345	(5,387)	26,732	(490.23)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 6)	449	449	0	0.00	3,143	3,143	0	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11 TOTAL ESTIMATE/ACTUAL TRUE-UP (7+8+9+10+10a)	(42,279)	(5,387)	(36,892)	694.83	(42,279)	(5,387)	(36,892)	694.83
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(38,080)	(5,387)	(32,693)	608.89				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-8)	(42,094)	(5,387)	(36,707)	681.43				
14 TOTAL (12+13)	(80,174)	(10,774)	(69,400)	644.14				
15 AVERAGE (90% OF 14)	(40,087)	(5,387)	(34,700)	644.14				
16 INTEREST RATE - FIRST DAY OF MONTH	5.53000%	0.00000%	5.53000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.53000%	0.00000%	5.53000%	0.00				
18 TOTAL (16+17)	11.06000%	0.00000%	11.06000%	0.00				
19 AVERAGE (90% OF 18)	5.53000%	0.00000%	5.53000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.46083%	0.00000%	0.46083%	0.00				
21 INTEREST PROVISION (15x20)	(185)	0	(185)	0.00				

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

**SCHEDULE A-2  
(REVISED 8/19/83)**

**CALCULATION OF TRUE-UP AND INTEREST PROVISION**

**COMPANY: INDIANTOWN GAS COMPANY**

**FOR THE PERIOD OF: APRIL 97 Through MARCH 98**

	CURRENT MONTH: NOVEMBER 1997			PERIOD TO DATE		
	ACTUAL	ORIGINAL ESTIMATE	DIFFERENCE	ACTUAL	ORIGINAL ESTIMATE	DIFFERENCE
<b>TRUE-UP CALCULATION</b>						
1 PURCHASED GAS COST	0	0	0	0	0	0.00
2 TRANSPORTATION COST	242,352	119,069	123,283	1,859,720	988,510	871,210
3 TOTAL	242,352	119,069	123,283	1,859,720	988,510	871,210
4 FUEL REVENUES	287,444	119,069	148,375	1,821,783	988,510	833,273
(NET OF REVENUE TAX)						
5 TRUE-UP (COLLECTED) OR REFUNDED	(449)	(449)	0	(3,592)	(3,592)	0
6 FUEL REVENUE APPLICABLE TO PERIOD	268,995	118,620	148,375	1,818,191	984,918	833,273
(LINE 4 (+ OR -) LINE 5)						
7 TRUE-UP PROVISION - THIS PERIOD	24,843	(449)	25,092	(41,529)	(3,592)	(37,937)
(LINE 6 - LINE 3)						
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(282)	0	(282)	(1,869)	0	(1,869)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(73,208)	(5,369)	(67,837)	(8,590)	(5,369)	(3,221)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	449	449	0	3,592	3,592	0
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(48,365)	(5,369)	(43,027)	(48,365)	(5,369)	(43,027)
<b>INTEREST PROVISION</b>						
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(73,208)	(5,369)	(67,837)			1,263.49
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(48,114)	(5,369)	(42,745)			798.14
14 TOTAL (12+13)	(121,320)	(10,738)	(110,582)			1,029.82
15 AVERAGE (50% OF 14)	(60,660)	(5,369)	(55,291)			1,029.82
16 INTEREST RATE - FIRST DAY OF MONTH	5.530000%	0.000000%	5.530000%			0.00
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.600000%	0.000000%	5.600000%			0.00
18 TOTAL (16+17)	11.130000%	0.000000%	11.130000%			0.00
19 AVERAGE (50% OF 18)	5.570000%	0.000000%	5.570000%			0.00
20 MONTHLY AVERAGE (19/12 Months)	0.46417%	0.000000%	0.46417%			0.00
21 INTEREST PROVISION (15c/20)	(282)	0	(282)			0.00

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

COMPANY: INDIANTOWN GAS COMPANY/Y

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2  
(REVISED 8/18/93)

	FOR THE PERIOD OF: APRIL 97 Through MARCH 98				PERIOD TO DATE			
	CURRENT MONTH: DECEMBER 1997				REVISED ESTIMATE		DIFFERENCE	
	ACTUAL	REVISED ESTIMATE	DIFFERENCE AMOUNT	%	ACTUAL	REVISED ESTIMATE	AMOUNT	%
<b>TRUE-UP CALCULATION</b>								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	207,746	275,000	(67,254)	(24.46)	2,087,466	2,134,720	(47,254)	(2.15)
3 TOTAL	207,746	275,000	(67,254)	(24.46)	2,087,466	2,134,720	(47,254)	(2.15)
4 FUEL REVENUES	193,478	275,000	(81,522)	(29.64)	2,015,261	2,098,783	(83,522)	(3.99)
(NET OF REVENUE TAX)								
5 TRUE-UP (COLLECTED) OR REFUNDED	(449)	(449)	0	0.00	(4,041)	(4,041)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	193,029	274,551	(81,522)	(29.69)	2,011,220	2,092,742	(81,522)	(3.90)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(14,717)	(449)	(14,268)	3,177.73	(58,346)	(41,878)	(16,468)	33.99
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(263)	(226)	(37)	16.37	(2,132)	(2,095)	(37)	1.77
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST (REVERSE OF LINE 5)	(48,396)	(48,396)	0	0.00	(8,560)	(8,560)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED)	449	449	0	0.00	4,041	4,041	0	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(62,927)	(48,622)	(14,305)	29.42	(62,927)	(48,622)	(14,305)	29.42
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(48,396)	(48,396)	0	0.00				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-6)	(62,664)	(48,396)	(14,268)	29.46				
14 TOTAL (12+13)	(111,060)	(96,792)	(14,268)	14.74				
15 AVERAGE (60% OF 14)	(55,530)	(48,396)	(7,134)	14.74				
16 INTEREST RATE - FIRST DAY OF MONTH	5.600000%	5.600000%	0.000000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.750000%	5.600000%	0.150000%	2.68				
18 TOTAL (16+17)	11.350000%	11.200000%	0.150000%	1.34				
19 AVERAGE (60% OF 18)	5.890000%	5.600000%	0.080000%	1.43				
20 MONTHLY AVERAGE (18/12 Months)	0.473333%	0.466667%	0.006667%	1.43				
21 INTEREST PROVISION (15x20)	(263)	(226)	(37)	16.37				

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-3  
(REVISED 8/1993)

FOR THE PERIOD OF: APRIL 97 Through MARCH 98

	CURRENT MONTH: JANUARY 1998				PERIOD TO DATE			
	REVISED		DIFFERENCE		REVISED		DIFFERENCE	
	ACTUAL	ESTIMATE	AMOUNT	%	ESTIMATE	AMOUNT	%	
<b>TRUE-UP CALCULATION</b>								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	111,698	275,000	(163,302)	(59.38)	2,408,720	(230,558)	(9.57)	
3 TOTAL	111,698	275,000	(163,302)	(59.38)	2,408,720	(230,558)	(9.57)	
4 FUEL REVENUES	39,953	275,000	(235,047)	(85.47)	2,371,783	(318,569)	(13.35)	
5 (NET OF REVENUE TAX)	(448)	(448)	0	0.00	(4,490)	0	0.00	
6 TRUE-UP (COLLECTED) OR REFUNDED	39,504	274,551	(235,047)	(85.61)	2,367,293	(318,569)	(13.37)	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 4 (+ OR -) LINE 5) (LINE 6 - LINE 3)	(72,194)	(448)	(71,745)	15.978.84	(128,440)	(42,427)	202.73	
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(484)	(227)	(237)	104.41	(2,322)	(274)	11.80	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(82,927)	(48,822)	(14,305)	29.42	(8,590)	0	0.00	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 9)	448	448	0	0.00	4,480	0	0.00	
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0.00	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(135,136)	(48,849)	(86,287)	178.64	(135,136)	(86,287)	178.64	
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(82,927)	(48,822)	(14,305)	29.42				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-9)	(134,674)	(48,822)	(86,050)	178.98				
14 TOTAL (12+13)	(197,598)	(87,244)	(100,355)	103.20				
15 AVERAGE (50% OF 14)	(98,800)	(48,822)	(50,178)	103.20				
16 INTEREST RATE - FIRST DAY OF MONTH	5.750000%	5.600000%	0.150000%	2.68				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.500000%	5.600000%	-0.100000%	(1.79)				
18 TOTAL (16+17)	11.250000%	11.200000%	0.050000%	0.45				
19 AVERAGE (50% OF 18)	5.630000%	5.600000%	0.030000%	0.54				
20 MONTHLY AVERAGE (18/12 Months)	0.46917%	0.46687%	0.00250%	0.54				
21 INTEREST PROVISION (15x20)	(484)	(227)	(237)	104.41				

• REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

COMPANY: INDIANTOWN GAS COMPANY		CALCULATION OF TRUE-UP AND INTEREST PROVISION				SCHEDULE A-2 (REVISED 8/19/93)			
		FOR THE PERIOD OF: APRIL 97 Through MARCH 98				PERIOD TO DATE			
		CURRENT MONTH:		FEBRUARY 1998					
		ACTUAL	REVISED ESTIMATE	DIFFERENCE		ACTUAL	REVISED ESTIMATE	DIFFERENCE	
				AMOUNT	%			AMOUNT	%
<b>TRUE-UP CALCULATION</b>									
1	PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2	TRANSPORATION COST	100,386	275,000	(174,614)	(63.50)	2,279,550	2,684,720	(405,170)	(15.09)
3	TOTAL	100,386	275,000	(174,614)	(63.50)	2,279,550	2,684,720	(405,170)	(15.09)
4	FUEL REVENUES (NET OF REVENUE TAX)	109,742	275,000	(165,258)	(60.09)	2,164,956	2,340,783	(481,827)	(18.20)
5	TRUE-UP (COLLECTED) OR REFUNDED	(449)	(449)	0	0.00	(4,939)	(4,939)	0	0.00
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	109,293	274,551	(165,258)	(60.19)	2,160,017	2,641,844	(481,827)	(18.24)
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	8,907	(449)	9,356	(2,083.74)	(119,533)	(42,876)	(76,657)	178.79
8	INTEREST PROVISION - THIS PERIOD (LINE 21)	(600)	(228)	(372)	163.16	(3,196)	(2,550)	(646)	25.33
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(135,136)	(48,849)	(86,287)	176.64	(8,590)	(8,590)	0	0.00
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	449	449	0	0.00	4,939	4,939	0	0.00
10a	FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11	TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(126,380)	(49,077)	(77,303)	157.51	(126,380)	(49,077)	(77,303)	157.51
<b>INTEREST PROVISION</b>									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(135,136)	(48,849)	(86,287)	176.64				
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(125,780)	(48,849)	(76,931)	157.49				
14	TOTAL (12+13)	(260,916)	(97,698)	(163,218)	167.06				
15	AVERAGE (50% OF 14)	(130,458)	(48,849)	(81,609)	167.06				
16	INTEREST RATE - FIRST DAY OF MONTH	5.50000%	5.60000%	-0.10000%	(1.79)				
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.53000%	5.60000%	-0.07000%	(1.25)				
18	TOTAL (15+17)	11.03000%	11.20000%	-0.17000%	(1.52)				
19	AVERAGE (50% OF 18)	5.52000%	5.60000%	-0.08000%	(1.43)				
20	MONTHLY AVERAGE (19/12 Months)	0.46000%	0.46667%	-0.00667%	(1.43)				
21	INTEREST PROVISION (15x20)	(600)	(228)	(372)	163.16				

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2 (REVISED 8/18/93)

	FOR THE PERIOD OF: APRIL 9' Through MARCH 99						PERIOD TO DATE			
	CURRENT MONTH: MARCH 1999			DIFFERENCE			ACTUAL	REVISED ESTIMATE	DIFFERENCE AMOUNT	%
	ACTUAL	REVISED ESTIMATE	DIFFERENCE	AMOUNT	%					
<b>TRUE-UP CALCULATION</b>										
1 PURCHASED GAS COST	0	0	0.00	0	0.00	0	0	0	0.00	0.00
2 TRANSPORTATION COST	214,413	275,000	(60,587)	(60,587)	(22.03)	2,493,963	2,959,720	(465,757)	(15.74)	(15.74)
3 TOTAL	214,413	275,000	(60,587)	(60,587)	(22.03)	2,493,963	2,959,720	(465,757)	(15.74)	(15.74)
4 FUEL REVENUES	224,358	275,000	(50,642)	(50,642)	(18.42)	2,399,314	2,921,783	(532,469)	(18.22)	(18.22)
5 (NET OF REVENUE TAX)	(449)	(449)	0.00	0	0.00	(5,388)	(5,388)	0	0.00	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	223,909	274,551	(50,642)	(50,642)	(18.45)	2,393,926	2,916,395	(532,469)	(18.26)	(18.26)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	9,498	(449)	9,945	9,945	(2,214.92)	(110,037)	(43,325)	(66,712)	153.98	153.98
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(501)	(229)	144.98	(332)	144.98	(3,757)	(2,779)	(978)	35.19	35.19
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(126,360)	(49,077)	157.51	(77,303)	157.51	(8,590)	(8,590)	0	0.00	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 6)	449	449	0.00	0	0.00	5,388	5,388	0	0.00	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0.00	0	0.00	0	0	0	0.00	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(116,962)	(49,306)	137.29	(67,690)	137.29	(118,966)	(49,306)	(67,690)	137.29	137.29
<b>INTEREST PROVISION</b>										
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(126,360)	(49,077)	157.51	(77,303)	157.51					
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(116,435)	(49,077)	137.25	(67,358)	137.25					
14 TOTAL (12+13)	(242,815)	(98,154)	147.38	(144,661)	147.38					
15 AVERAGE (50% OF 14)	(121,408)	(49,077)	147.38	(72,331)	147.38					
16 INTEREST RATE - FIRST DAY OF MONTH	5.53000%	5.60000%	(1.25)	-0.07000%	(1.25)					
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.55000%	5.60000%	(0.89)	-0.05000%	(0.89)					
18 TOTAL (16+17)	11.08000%	11.20000%	(1.07)	-0.12000%	(1.07)					
19 AVERAGE (50% OF 18)	5.54000%	5.60000%	(1.07)	-0.06000%	(1.07)					
20 MONTHLY AVERAGE (19/12 Months)	0.46167%	0.46667%	(1.07)	-0.00500%	(1.07)					
21 INTEREST PROVISION (15x20)	(561)	(229)	144.98	(332)	144.98					

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVISED ESTIMATE

STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(850) 413-6770

**Public Service Commission**

August 14, 1998

Colette M. Powers  
Indiantown Gas Company  
Post Office Box 8  
Indiantown, Florida 34956-0008

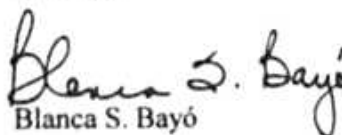
Re: Docket No. 980003 - GU - Indiantown Gas Company  
Audit Report - PGA - Six Months Ended March 31, 1998  
Audit Control # 98-160-4-1

Dear Ms. Powers:

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above case will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,

  
Blanca S. Bayó

BSB/abf  
Enclosure  
cc: Public Counsel  
Division of Audit and Financial Analysis