

INDIANTOWN

Gas company, inc.



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

October 20, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Fl. 32399-0580

RE: Purchased Gas Adjustment (PGA) True-up
Docket No. 980003-GU

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Indiantown Gas Co., please find an original and ten (10) copies of the following:

1. True-up Estimate Filing Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5.
2. Indiantown Gas Company Statement of Issues and Positions. 11809-98
3. Direct Testimony of Brian J. Powers.
4. Petition for Approval of Maximum Levelized Purchased Gas Cost Factor. 11810-98

11811-98

Thank you for your assistance.

Sincerely,

ACK Brian J. Powers
AFA *Wandover* General Manager
Indiantown Gas Co.

APP _____

CAF _____

CMU _____

CTR _____

EAD *Wakia*

LES *370g test*

OPG _____

RCH _____

SEC *1*

WAS _____

OTH _____

16600 SW WARFIELD BLVD. • P. O. BOX 8, INDIANTOWN, FLORIDA 34956

TEL. (407) 597-2268 & 597-2168 • FAX (407) 597-2068

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ORIGINAL

INDIANTOWN GAS COMPANY
DOCKET NO. 980003-GU

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

BRIAN J. POWERS

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Q. Please state your name, business address, by whom you are employed, and in what capacity.

A. My name is Brian J. Powers and my business address is 16600 S.W. Warfield Blvd., Indiantown, Florida 34956. I am General Manager of Indiantown Gas Company.

Q. What are your responsibilities in that position?

A. I am responsible for the general operation of the company including: rates, regulatory matters, budget preparation, gas management, E.D.P., billing and service department.

Q. What is the purpose of your testimony.

A. To briefly summarize the projected levelized maximum purchased gas cost recovery factor (LPGCR) calculations for the period January 1999 through December 1999.

Q. Have you prepared any exhibits in conjunction with your testimony?

A. Yes. Schedules E-1, E-2, E-3, E-4 and E-5 were filed on October 20, 1998.

DOCUMENT FILED DATE

11811 OCT 22 8

FLORIDA PUBLIC SERVICE COMMISSION

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Q. Please explain the calculation for the total true-up amount to be collected or refunded during the January 1999 through December 1999 period.

A. We have projected that at the end of December 1998, based on five months actual, we will have under-recovered \$22,934 for the April 1998 through December 1998 period. Also at the end of December 1998, we will have under-recovered \$67,962 for the April 1997 through March 1998 period. The total net under-recovery to be collected during the January through December 1999 period is \$90,926. Based on estimated sales for the period January 1999 through December 1999, it will be necessary to add 1.905 cents per therm to collect this under-recovery. See Schedule E-4 for details of this computation.

Q. What (LPCGR) Factor does Indiantown Gas Company seek approval through its petition for the period January 1, 1999 through December 31, 1999?

A. \$0.44710 per therm.

Q. Does this conclude your testimony?

A. Yes

COMPANY: Indiantown Gas Company

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATIONSCHEDULE E-1
(REVISED 6/08/91)

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

Jan 99 Through Dec 99

COST OF GAS PURCHASED	PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline) Includes No Notice Commodity Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
2 NO NOTICE RESERVATION	0	0	0	0	0	0	0	0	0	0	0	0	0
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	243,878	230,303	220,830	220,112	137,867	99,706	99,107	113,931	112,734	123,735	166,848	238,942	1,996,192
5 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
6 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
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 COST (1+2+3+4+5+6)-(7+8+9+10)	243,878	230,303	220,830	220,112	137,867	99,706	99,107	113,931	112,734	123,735	166,848	238,942	1,996,192
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 THERM SALES REVENUES	243,878	230,303	220,830	220,112	137,867	99,706	99,107	113,931	112,734	123,735	166,848	238,942	1,996,192
THERMS PURCHASED													
15 COMMODITY (Pipeline) Billing Determinants Only	0	0	0	0	0	0	0	0	0	0	0	0	0
16 NO NOTICE RESERVATION Billing Determinants Only	0	0	0	0	0	0	0	0	0	0	0	0	0
17 SWING SERVICE Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other) Commodity	543,000	543,000	540,000	538,000	368,500	268,500	264,900	268,500	288,800	275,500	347,000	538,000	4,758,700
19 DEMAND Billing Determinants Only	0	0	0	0	0	0	0	0	0	0	0	0	0
20 OTHER Commodity	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)	543,000	543,000	540,000	538,000	368,500	268,500	264,900	268,500	288,800	275,500	347,000	538,000	4,758,700
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 (24-26)	543,000	543,000	540,000	538,000	368,500	268,500	264,900	268,500	288,800	275,500	347,000	538,000	4,758,700
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
29 NO NOTICE RESERVATION (2/16)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
30 SWING SERVICE (3/17)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
31 COMMODITY (Other) (4/18)	0.44913	0.42413	0.40913	0.40913	0.37413	0.37413	0.37413	0.42413	0.42413	0.44913	0.44913	0.44413	0.41908
32 DEMAND (5/19)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
33 OTHER (6/20)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
LESS END-USE CONTRACT													
34 COMMODITY Pipeline (7/21)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
35 DEMAND (8/22)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
36 (9/23)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
37 TOTAL COST OF PURCHASES (11/24)	0.44913	0.42413	0.40913	0.40913	0.37413	0.37413	0.37413	0.42413	0.42413	0.44913	0.44913	0.44413	0.41908
38 NET UNBILLED (12/25)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
39 COMPANY USE (13/26)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
40 TOTAL COST OF THERMS SOLD (11/27)	0.44913	0.42413	0.40913	0.40913	0.37413	0.37413	0.37413	0.42413	0.42413	0.44913	0.44913	0.44413	0.41908
41 TRUE-UP (E-2)	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908	0.01908
42 TOTAL COST OF GAS (40+41)	0.46818	0.44318	0.42818	0.42818	0.39318	0.39318	0.39318	0.44318	0.44318	0.46818	0.46818	0.46318	0.43871
43 REVENUE TAX FACTOR	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	47.7129	45.1652	43.8365	43.8365	40.0696	40.0696	40.0696	45.1652	45.1652	47.7129	47.7129	47.2034	44.7088
45 PGA FACTOR ROUNDED TO NEAREST .001	47.713	45.165	43.836	43.836	40.07	40.07	40.07	45.165	45.165	47.713	47.713	47.203	44.71

SCHEDULE E-2
(REVISED 8/18/83)

CALCULATION OF TRUE-UP AMOUNT

COMPANY: Indiantown Gas Company

FOR THE CURRENT PERIOD: APRIL 86 Through DECEMBER 86

	ACTUAL				REVISED PROJECTION							TOTAL PERIOD	
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB		MAR
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$182,174	\$168,419	\$108,278	\$168,251	\$68,389	\$68,000	\$95,000	\$110,000	\$176,000				\$0
2 TRANSPORTATION COST	\$182,174	\$168,419	\$108,278	\$168,251	\$68,389	\$68,000	\$95,000	\$110,000	\$176,000				\$1,122,809
3 TOTAL	\$173,368	\$178,482	\$118,368	\$160,879	\$58,341	\$68,860	\$87,800	\$112,600	\$198,800				\$1,183,868
4 FUEL REVENUES													
(NET OF REVENUE TAX)													
5 TRUE-UP COLLECTED OR (REFL)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)	(\$4,108)				(\$38,881)
6 FUEL REVENUE APPLICABLE TO	\$188,248	\$171,373	\$114,248	\$168,870	\$46,132	\$46,841	\$83,391	\$108,391	\$191,391				\$1,116,894
(LINE 4 (+/-) LINE 5)													
7 TRUE-UP PROVISION - THIS PER	(\$12,828)	\$2,864	\$8,973	\$318	(\$19,287)	\$841	(\$1,808)	(\$1,808)	\$16,391				(\$6,828)
(LINE 6 - LINE 3)													
8 INTEREST PROVISION-THIS PER	(\$880)	(\$888)	(\$824)	(\$488)	(\$812)	(\$838)	(\$822)	(\$812)	(\$482)				(\$4,882)
9 BEGINNING OF PERIOD TRUE-UP	(\$116,888)	(\$1,28,378)	(\$119,877)	(\$107,318)	(\$103,380)	(\$118,040)	(\$112,838)	(\$112,848)	(\$110,880)				(\$116,888)
INTEREST													
10 TRUE-UP COLLECTED OR (REFL)	\$4,108	\$4,108	\$4,108	\$4,108	\$4,108	\$4,108	\$4,108	\$4,108	\$4,108				\$38,881
(REVERSE OF LINE 5)													
10a FLEX RATE REFUND (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
11 TOTAL ESTIMATED/ACTUAL TRU	(\$128,378)	(\$119,877)	(\$107,318)	(\$103,380)	(\$119,040)	(\$114,828)	(\$112,848)	(\$110,880)	(\$88,822)				(\$88,822)
(7+8+9+10+10a)													
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND	(\$116,888)	(\$128,378)	(\$119,877)	(\$107,318)	(\$103,380)	(\$118,040)	(\$114,838)	(\$112,848)	(\$110,880)				(\$116,888)
INTEREST PROVISION (9)													
13 ENDING TRUE-UP BEFORE	(\$128,818)	(\$119,312)	(\$108,798)	(\$102,891)	(\$118,828)	(\$114,888)	(\$112,128)	(\$110,148)	(\$90,180)				(\$88,840)
INTEREST (12+7-5)													
14 TOTAL (12+13)	(\$242,811)	(\$245,888)	(\$228,872)	(\$210,210)	(\$221,808)	(\$233,138)	(\$228,783)	(\$222,798)	(\$200,821)				(\$202,836)
15 AVERAGE (50% OF 14)	(\$121,406)	(\$122,844)	(\$113,336)	(\$105,105)	(\$110,954)	(\$116,868)	(\$113,378)	(\$111,388)	(\$100,410)				(\$101,468)
16 INTEREST RATE - FIRST	8.88	8.83	8.80	8.80	8.86	8.82	8.82	8.82	8.82				
DAY OF MONTH													
17 INTEREST RATE - FIRST	8.83	8.80	8.80	8.80	8.82	8.82	8.82	8.82	8.82				8.80
DAY OF SUBSEQUENT MONTH													
18 TOTAL (16+17)	11.08	11.03	11.10	11.18	11.08	11.04	11.04	11.04	11.04				11.04
19 AVERAGE (50% OF 18)	5.84	5.82	5.85	5.88	5.84	5.82	5.82	5.82	5.82				5.82
20 MONTHLY AVERAGE (19) 12 Month	0.48	0.48	0.48	0.47	0.46	0.46	0.46	0.46	0.46				0.46
21 INTEREST PROVISION (18x20)	-880	-888	-524	-488	-812	-838	-822	-812	-482				-482

* If line 8 is a refund () add to line 4. If line 8 is a collection subtract from line 4.

COMPANY: Indiantown Gas Company

**CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD**

SCHEDULE E-4
(REVISED 8/19/93)

ESTIMATED FOR THE PROJECTED PERIOD:

Jan 99

Through

Dec 99

	PRIOR PERIOD: APRIL 97 - MARCH 98			CURRENT PERIOD: APRIL 98 - DECEMBER 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 \$	\$2,918,388	\$2,389,314	(\$527,081)	\$1,116,584	\$889,503
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(\$43,325)	(\$110,037)	(\$66,712)	(\$5,925)	(\$72,637)
3 INTEREST PROVISION FOR THIS PERIOD	(\$2,777)	(\$3,757)	(\$980)	(\$4,682)	(\$5,662)
3A TRUE UP REFUNDED JAN 99 - MAR 99 (\$4,100 PER MONTH)				(\$12,327)	(\$12,327)
4 END OF PERIOD TOTAL NET TRUE-UP	(\$46,102)	(\$113,794)	(\$67,692)	(\$22,934)	(\$90,626)

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

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)

$$\frac{(\$90,626)}{4,756,700} \text{ equals } (\$0.01906) \text{ PER THERM TRUE UP COLLECTION}$$

