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AUDITING & FINANCIAL ANALYSIS  
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# Public Service Commission

June 17, 1999

Mr. Brian J. Powers  
Indiantown Gas Company  
P. O. Box 8  
Indiantown, FL 34956-0008

**Re: Docket No. 990003-GU; Indiantown Gas Company  
PGA Audit Report - Period Ended December 31, 1998  
Audit Control No. 99-042-4-3**

Mr. Powers:

The enclosed audit report is forwarded for your review. If you desire to file a response to the audit, please file one with the Division of Records and Reporting so it may be forwarded for consideration by the staff analysts in their review of the audit.

Sincerely,

Denise N. Vandiver  
Bureau Chief - Auditing Services

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

cc:  Division of Records and Reporting  
 Division of Auditing and Financial Analysis (Devlin/Causseaux/File Folder)  
 Division of Electric and Gas (Makin)  
 Miami District Office (Welch)  
 Division of Legal Services  
 Office of Public Counsel  
 Research and Regulatory Review (Harvey)

DOCUMENT NUMBER - DATE

07485 JUN 21 99

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FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS  
BUREAU OF AUDITING SERVICES*

*MIAMI DISTRICT OFFICE*

INDIANTOWN GAS COMPANY

PURCHASED GAS ADJUSTMENT

NINE MONTHS ENDED DECEMBER 31, 1998

DOCKET NO. 990003-GU  
AUDIT CONTROL NO. 99-042-4-3

A handwritten signature in cursive script, reading "Ruth K. Young".

*Ruth K. Young, Audit Manager*

A handwritten signature in cursive script, reading "Kathy L. Welch".

*Kathy L. Welch, Audit Supervisor  
Miami District Office*

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

**June 4, 1999**

**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 nine months ending December 31, 1998. These schedules were prepared by the utility as part of its Purchased Gas Adjustment true-up filings in Docket No. 990003-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.

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**General:** Compiled trial balance of PGA revenue and expense accounts.

**Revenues:** Recalculated PGA revenues for the nine months ended December 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 nine months ended December 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 nine months. Traced the interest rates to the Wall Street Journal.

**AUDIT EXCEPTION 1**

**SUBJECT: GENERAL LEDGER REVENUES**

**STATEMENT OF FACTS:**

The PGA revenue in the general ledger did not agree with the revenue on the A-2 schedules submitted to the Commission for the months of September, October, November and December 98.

1. In September, the amount booked in the general ledger for industrial fuel revenue was \$30,385.99. The amount of the invoice related to fuel to the industrial customer was \$34,573.62; a difference of \$4,187.63. The detail is on the attached staff prepared schedule A.
2. A second problem occurred in November and December 98, where the revenues booked in the general ledger to residential and commercial accounts 480.2 and 481.2 did not agree with the schedules filed with the Commission. Non fuel revenues were booked to the fuel revenue account, and the fuel revenues were booked to the non fuel accounts. This was verified by reviewing the natural gas sales summaries. The difference in the residential and commercial PGA revenue accounts for November and December 98 is \$5,789.76 and \$6,753.28 respectively. See the detail on the attached staff prepared schedule A.
3. After reconciling the above two problems, there was still a small discrepancy. In October, November and December 98, the general ledger did not agree with the PGA filing in immaterial amounts. These are detailed on the attached schedule A. Audit Exception 2 explains these amounts.

**OPINION:**

It appears that the documentation for the first and second problems substantiates the revenues included in the PGA filings and that the general ledger is incorrect. The incorrect general ledger does not affect the PGA filings, however, it does effect the surveillance report filed by the company for the 12 months ended December 31, 1998. Based on the attached staff prepared schedule the following entries should be made to the general ledger. These adjustments would also effect the Company's Regulatory Assessment Fee filing. See Audit Exception No.3.

	Dr.	Cr.
Accounts Receivable	4,187.63	
Industrial Revenue- Fuel		4,187.63

To account for industrial revenue received for surveillance report and regulatory assesment fee

**Residential and Commercial Non Fuel Revenue**

November 98	5789.76
December 98	6753.28

**Residential and Commercial Fuel Revenue**

November 98	5789.76
December 98	6753.28

To correct classification of revenue for surveillance report purposes.

EXHIBIT A TO EXCEPTION 1

COMPANY: INDIANTOWN GAS CO  
 TITLE: TRIAL BALANCE  
 PERIOD: APRIL 98 THROUGH DECEMBER 98  
 DATE: MAY 5, 1999

SOURCE: Company general ledger

ACCOUNT NO.	DESCRIPTION	APRIL 98	MAY 98	JUNE 98	JULY 98	AUG 98	SEPT 98
<u>REVENUES PER THE GL</u>							
480.2	Res Fuel Revenue	a	a	a	3,949.25	4,209.54	3,833.94
481.2	Comm Fuel Revenue				1,801.23	2,287.57	2,246.19
482.2	Industrial Fuel Revenue				154,928.45	43,744.36	30,385.99
					160,678.93	50,241.47	36,466.12
	<u>REVENUES PER A-2 FILED WITH THE COMMISSION</u>				160,679.00	50,241.00	40,654.00
	<u>DIFFERENCE</u>				(0.07)	0.47	(4,187.88)
<u>STAFF ADJUSTMENT</u>							
482.2	Industrial Fuel Revenue						(30,385.99)
482.2	Industrial Fuel Revenue						34,573.62
	<u>AMOUNT TO BE ADDED TO INDUSTRIAL FUEL REVENUE IN THE GENERAL LEDGER</u>						<u>4,187.63</u>

PER ABOVE  
 ADJUSTMENT

ADJUSTED INDUSTRIAL REVS FOR 3 MOS.

ACCOUNT NO.	DESCRIPTION	SEPT 98	OCT 98	NOV 98	DEC 98	4 mos TOTAL 9/1-12/98
<u>REVENUES PER THE GL</u>						
480.2	Res Fuel Revenue	3,833.94	3,840.56	720.27	877.00	9,271.77
481.2	Comm Fuel Revenue	2,246.19	2,223.49	414.59	451.43	5,335.70
482.2	Industrial Fuel Revenue	30,385.99	55,094.27	98,304.84	81,814.28	265,599.38
		36,466.12	61,158.32	99,439.70	83,142.71	280,208.85
	<u>SCH A-2 FILED WITH THE COMMISSION</u>	40,654.00	61,273.00	105,175.00	89,832.00	296,934.00
	<u>DIFFERENCE BETWEEN A-2 AND GL</u>	(4,187.88)	(114.68)	(5,735.30)	(6,689.29)	(16,727.15)
<u>STAFF ADJUSTMENTS</u>						
480.2	Res Fuel Revenue			(720.27)	(877.00)	(1,597.27)
481.2	Comm Fuel Revenue			(414.59)	(451.43)	(866.02)
480.5	non fuel - res			4,415.71	5,349.87	9,765.58
481.5	non fuel - comm			2,508.91	2,731.84	5,240.75
482.2	Industrial Revenue	4,187.88				4,187.88
						0.00
	<u>AMOUNT TO BE ADDED TO COMM'L AND RESIDENTIAL REVENUE IN GL</u>					
	Does not effect the PGA filing	4,187.88	0.00	5,789.76	6,753.28	16,730.92
	<u>ABOVE DIFFERENCE</u>	(4,187.88)	(114.68)	(5,735.30)	(6,689.29)	(16,727.15)
	<u>Remaining Difference- immaterial</u>	0.00	(114.68)	54.46	63.99	3.77



**AUDIT EXCEPTION 2**

**SUBJECT: REVENUES ON SCHEDULE A-2**

**STATEMENT OF FACTS:**

Since there was a small difference in the months of October, November and December 1998 and the company could not determine the reason, staff performed the following analysis.

For the nine months audited, staff compared the PGA revenue reported on the A-2 to the company natural gas revenue summaries for residential and commercial. In the months of April through September the company billed the customer the cap, plus the tax factor, plus the energy charge.

In the months of October, November and December the PGA rate applied to the therms was the cap authorized by the Commission without the tax factor or the energy charge. The actual rates are detailed below.

	Residential	Commercial
<b>Rates Charged in April through Sept</b>		
Cap authorized by commission	37.313	37.313
Tax factor @ 1.0191	.713	.713
	-----	-----
Rates Charged including tax plus energy charge per tariff	38.026	38.026
	6.632	6.166
	-----	-----
Total Billed to Customer April through Sept 98	44.658	44.192
	=====	=====
<b>Rates Charged in Oct through Dec</b>		
Cap Authorized by Commission	37.313	37.313
Energy Charge per tariff	6.632	6.166
	-----	-----
Total billed to Customer Oct. Nov and Dec	43.945	43.479
	=====	=====

The comparison and differences are included in the attached Schedule B.

**OPINION:**

It appears that the company billed less than what was reported on the A-2 Schedule for the months of October, November, and December 98. The PGA revenue should be reduced since tax has to be paid on these rates even if the company did not include it.

October 98	\$115.88
November 98	128.82
December 98	148.39

A recalculation of the PGA filings for the nine months ended December 98 is attached as Schedule C. The true up for the nine months ended December 31, 1998 should be changed from an underrecovery of \$119,638 to \$120,034; a difference of \$396.

SCHEDULE B FOR AUDIT EXCEPTION 2

COMPANY: INDIANTOWN GAS COMPANY  
 TITLE: REVENUES  
 PERIOD: NINE MONTH ENDED DECEMBER 31, 1999

	OCTOBER 98	NOVEMBER 98	DECEMBER 98
REVENUES ON THE A-2 SCHEDULES			
RESIDENTIAL	3,913.21	4,360.95	5,286.22
COMMERCIAL	2,265.99	2,508.87	2,731.77
	6,179.20	6,869.82	8,017.99
LESS: REVENUES BILLED BY COMPANY NET OF TAX FACTOR	6,063.32	6,741.00	7,869.60
REVENUES FOR TAX OVERSTATED ON A-2	115.88	128.82	148.39

SCHEDULE C

REVENUES ADJUSTED FOR AUDIT EXCEPTION 2

=====

Company: Indiantown  
 Title: True-up & Interest Calculations  
 Period: THREE MONTHS ENDED DECEMBER 31, 1998  
 Auditor: RKY

Interest Rates per Wall Street Journal Commercial Paper

Interest- first day reporting	Month 1	5.2200%
	Month 2	5.1000%
	Month 3	5.5000%
	Month 4	4.9000%
	Month 5	
	Month 6	

Interest- first day reporting  
of subsequent month

INTEREST RATES

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Beginning	5.220%	5.100%	5.500%	4.900%	0.000%	0.000%
Ending	5.100%	5.500%	4.900%	0.000%	0.000%	0.000%
<hr/>						
Total	10.320%	10.600%	10.400%	4.900%	0.000%	0.000%
Average	5.160%	5.300%	5.200%	2.450%	0.000%	0.000%
Monthly Average	0.430%	0.442%	0.433%	0.204%	0.000%	0.000%

CALCULATION OF TRUE-UP

Total Gas revenues- NOTE D	61,157	105,046	89,684				255,887
Prior True-up - Note A	(4,109)	(4,109)	(4,109)		0	0	(12,327)
Total gas revenue to current period	57,048	100,937	85,575	0	0	0	243,560
Gas Cost	47,683	138,063	56,833				242,579
True-up this period	9,365	(37,126)	28,742	0	0	0	981
Interest provision	(537)	(597)	(589)	0	0	0	(1,723)
True-up & interest beginning Note (C)	(131,619)	(118,682)	(152,296)				(131,619)
Prior true-up coll. refunded	4,109	4,109	4,109	0	0	0	12,327
FGT PGA TRUE UP ADJ							0
Rate Case Refund Balance							
Total net true-up	(118,682)	(152,296)	(120,034)	0	0	0	(120,034)
True-up for the month CO. FILING	(118,566)	(152,050)	(119,638)				(119,638)
<hr/>							
Difference	(116)	(246)	(396)	0	0	0	(396)

CALCULATION OF INTEREST

Beginning true up and int.	(131,619)	(118,682)	(152,296)	0	0	0	
Ending true-up before int	(118,145)	(151,699)	(119,445)	0	0	0	
Total	(249,764)	(270,381)	(271,741)	0	0	0	
<hr/>							
Average true up	(124,882)	(135,190)	(135,870)	0	0	0	
<hr/>							
Interest rate per above	0.43%	0.44%	0.43%	0.20%	0.00%	0.00%	
Interest per staff	(537)	(597)	(589)	0	0	0	(1,723)
True-up for the month per WP	(537)	(596)	(587)				(1,720)
<hr/>							
	0	(1)	(2)	0	0	0	(3)

Source: Company prepared schedule A-2

NOTE A THE PRIOR TRUE UP AMOUNT SHOWN ABOVE WAS TRACED TO ORDER PSC-98-0401-FOF-GU, UNDERRECOVERY OF 49,404/12 =4109  
 NOTE C TRUE UP AND INTEREST BEGINNING IS FROM SEPTEMBER 98 TRUE UP.  
 NOTE D REVENUES ADJUSTED FOR AUDIT EXCEPTION 2.

### AUDIT EXCEPTION 3

**SUBJECT: REVENUES REPORTED ON THE REGULATORY ASSESSMENT FEE FILING FOR THE YEAR ENDED DECEMBER 31, 1998**

#### STATEMENT OF FACTS:

In the Regulatory Assessment Fee (RAF) Return filed for January 1, 1998 through June 30, 1998, the company reduced revenues in the amount of \$78,716.03 on Line 32 (Adjustments). Company personnel explained that one of its industrial customers was over billed in November 97. This was not found until January 98 when the company gave the industrial customer a credit but included the revenue in the general ledger. Staff audited this credit in the last PGA audit and verified that there was an over billing in November 97 and a credit to the industrial customer in January 98. The credit was in the amount of \$72,607.49. Therefore, the revenues in the RAF were understated by \$6801.58.

In the RAF filed for July 1, 1998 through December 31, 1998, the company added its under recovery account in the general ledger at June 30, 1998 in line 27; increasing revenues by \$35,446.97.

**OPINION:** The company decreased revenue on the RAF filing in the amount of \$6,801 for which it could not provide a reason. The company increased revenues in the RAF filing in the six months ended 12/31/98 for its under recovery account. This was not done in the first half of the year filing.

	1st Six Months -----	2nd Six Months -----
Revenue per RAF filing	994,043.75	734,636.91
Increase revenues for incorrect credit recorded	6,801.68	
Reduce revenues for under recovery amounts		(35,466.97)
Increase Revenues for Audit Exception 1- Industrial Revenues		4,187.63
Revised Revenue for RAF Filing	----- 1,000,845.43	----- 703,335.57

### **III. EXHIBITS**

REVERSED ESTIMATE IS EIGHT MONTHS ACTUAL & FOUR MONTHS REVERSED ESTIMATE

FOR THE PERIOD OF:		APRIL 88 THROUGH MARCH 89		APRIL 88		CURRENT MONTH	
PERIOD TO DATE		ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE
ORIGINAL	DIFFERENCE	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	0.00	0.00		0.00		0.00	
2	(8.10)	182,174	(8.10)	182,174	(8.10)	182,174	(8.10)
3	(8.10)	182,174	(8.10)	182,174	(8.10)	182,174	(8.10)
4	(12.85)	173,355	(12.85)	173,355	(12.85)	189,223	(24,868)
5	0.00	0.00		(4,100)		(4,100)	
6	0.00	184,114	(12.81)	184,114	(12.81)	184,114	(24,868)
7	214.63	(12,928)	(4,100)	(4,100)	(8,819)	214.63	
8	0.00	0.00		0.00		0.00	
9	137.29	(500)	(500)	137.29	(500)	137.29	(500)
10	0.00	0.00		0.00		0.00	
11	0.00	0.00		0.00		0.00	
12	157.29	(49,306)	(49,306)	157.29	(49,306)	157.29	(49,306)
13	155.17	(125,818)	(49,306)	(76,509)		155.17	
14	140.23	(242,811)	(98,612)	(144,199)		140.23	
15	140.23	(121,400)	(49,306)	(72,100)		140.23	
16	0.00	0.00		0.00		0.00	
17	0.00	0.00		0.00		0.00	
18	0.00	11,000.00%	0.0000%	11,000.00%		0.00	
19	0.00	0.00		0.00		0.00	
20	0.00	0.46167%	0.0000%	0.46167%		0.00	
21	0.00	0.00		0.00		0.00	

SCHEDULE A-1  
(REVISED 8/1993)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

COMPANY: MIDANTOWN GAS COMPANY

COMPANY: INDIANTOWN GAS COMPANY		CALCULATION OF TRUE-UP AND INTEREST PROVISION				SCHEDULE A-2 (REVISED 8/19/93)			
		FOR THE PERIOD OF: APRIL 98 Through MARCH 99							
		CURRENT MONTH: MAY 1998				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	TRANSPORATION COST	168,419	202,268	(33,847)	(16.73)	350,593	400,489	(49,896)	(12.46)
3	TOTAL	168,419	202,268	(33,847)	(16.73)	350,593	400,489	(49,896)	(12.46)
4	FUEL REVENUES (NET OF REVENUE TAX)	175,482	202,268	(26,784)	(13.24)	348,837	400,489	(51,652)	(12.90)
5	TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(8,218)	(8,218)	0	0.00
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	171,373	198,157	(26,784)	(13.52)	340,619	392,271	(51,652)	(13.17)
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	2,954	(4,109)	7,063	(171.89)	(9,974)	(8,218)	(1,756)	21.37
8	INTEREST PROVISION - THIS PERIOD (LINE 21)	(565)	0	(565)	0.00	(1,125)	0	(1,125)	0.00
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(126,375)	(49,306)	(77,069)	156.31	(116,996)	(49,306)	(67,690)	137.29
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	8,218	8,218	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)	(119,877)	(49,306)	(70,571)	143.13	(119,877)	(49,306)	(70,571)	143.13
<b>INTEREST PROVISION</b>									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(126,375)	(49,306)	(77,069)	156.31				
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(119,312)	(49,306)	(70,006)	141.98				
14	TOTAL (12+13)	(245,687)	(98,612)	(147,075)	149.15				
15	AVERAGE (50% OF 14)	(122,844)	(49,306)	(73,538)	149.15				
16	INTEREST RATE - FIRST DAY OF MONTH	5.53000%	0.00000%	5.53000%	0.00				
17	INTEREST RATE - FIRST DAY OF SUBSEQENT MONTH	5.50000%	0.00000%	5.50000%	0.00				
18	TOTAL (16+17)	11.03000%	0.00000%	11.03000%	0.00				
19	AVERAGE (50% OF 18)	5.52000%	0.00000%	5.52000%	0.00				
20	MONTHLY AVERAGE (19/12 Months)	0.46000%	0.00000%	0.46000%	0.00				
21	INTEREST PROVISION (15x20)	(565)	0	(565)	0.00				

♦ 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 98 Through MARCH 99

	CURRENT MONTH: JUNE 1998				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	105,276	133,454	(28,178)	(21.11)	455,869	533,943	(78,074)	(14.62)
3 TOTAL	105,276	133,454	(28,178)	(21.11)	455,869	533,943	(78,074)	(14.62)
4 FUEL REVENUES (NET OF REVENUE TAX)	118,358	133,454	(15,096)	(11.31)	467,195	533,943	(66,748)	(12.50)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(12,327)	(12,327)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	114,249	129,345	(15,096)	(11.67)	454,868	521,616	(66,748)	(12.80)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	8,973	(4,109)	13,082	(318.37)	(1,001)	(12,327)	11,326	(91.88)
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(519)	0	(519)	0.00	(1,644)	0	(1,644)	0.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(119,877)	(49,306)	(70,571)	143.13	(116,996)	(49,306)	(67,690)	137.29
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	12,327	12,327	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)	(107,314)	(49,306)	(58,008)	117.65	(107,314)	(49,306)	(58,008)	117.65
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(119,877)	(49,306)	(70,571)	143.13				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(106,795)	(49,306)	(57,489)	116.60				
14 TOTAL (12+13)	(226,672)	(98,612)	(128,060)	129.86				
15 AVERAGE (50% OF 14)	(113,336)	(49,306)	(64,030)	129.86				
16 INTEREST RATE - FIRST DAY OF MONTH	5.50000%	0.00000%	5.50000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.50000%	0.00000%	5.50000%	0.00				
18 TOTAL (16+17)	11.00000%	0.00000%	11.00000%	0.00				
19 AVERAGE (50% OF 18)	5.50000%	0.00000%	5.50000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.45833%	0.00000%	0.45833%	0.00				
21 INTEREST PROVISION (15x20)	(519)	0	(519)	0.00				

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL &amp; 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 98 Through MARCH 99

	CURRENT MONTH: JULY 1998				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	156,251	96,822	59,429	61.38	612,120	630,765	(18,645)	(2.96)
3 TOTAL	156,251	96,822	59,429	61.38	612,120	630,765	(18,645)	(2.96)
4 FUEL REVENUES (NET OF REVENUE TAX)	160,679	96,822	63,857	65.95	627,874	630,765	(2,891)	(0.46)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(16,436)	(16,436)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	156,570	92,713	63,857	68.88	611,438	614,329	(2,891)	(0.47)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	319	(4,109)	4,428	(107.76)	(662)	(16,436)	15,754	(95.85)
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(489)	0	(489)	0.00	(2,138)	0	(2,138)	0.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(107,319)	(49,306)	(58,013)	117.66	(116,996)	(49,306)	(67,690)	137.29
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	16,436	16,436	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)	(103,380)	(49,306)	(54,074)	109.67	(103,380)	(49,306)	(54,074)	109.67
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(107,319)	(49,306)	(58,013)	117.66				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(102,891)	(49,306)	(53,585)	108.68				
14 TOTAL (12+13)	(210,210)	(98,612)	(111,598)	113.17				
15 AVERAGE (50% OF 14)	(105,105)	(49,306)	(55,799)	113.17				
16 INTEREST RATE - FIRST DAY OF MONTH	5.60000%	0.00000%	5.60000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.56000%	0.00000%	5.56000%	0.00				
18 TOTAL (16+17)	11.16000%	0.00000%	11.16000%	0.00				
19 AVERAGE (50% OF 18)	5.58000%	0.00000%	5.58000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.46500%	0.00000%	0.46500%	0.00				
21 INTEREST PROVISION (15x20)	(489)	0	(489)	0.00				

\* REVISED ESTIMATE IS EIGHT MONTHS ACTUAL &amp; 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 98 Through MARCH 99

	CURRENT MONTH: AUGUST 1998				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	65,389	86,381	(20,992)	(24.30)	677,509	717,146	(39,637)	(5.53)
3 TOTAL	65,389	86,381	(20,992)	(24.30)	677,509	717,146	(39,637)	(5.53)
4 FUEL REVENUES (NET OF REVENUE TAX)	50,241	86,381	(36,140)	(41.84)	678,115	717,146	(39,031)	(5.44)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(20,545)	(20,545)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	46,132	82,272	(36,140)	(43.93)	657,570	696,601	(39,031)	(5.60)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(19,257)	(4,109)	(15,148)	368.65	(19,939)	(20,545)	606	(2.95)
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(512)	0	(512)	0.00	(2,650)	0	(2,650)	0.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(103,380)	(49,306)	(54,074)	109.67	(116,996)	(49,306)	(67,690)	137.29
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	20,545	20,545	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)	(118,040)	(49,306)	(69,734)	141.43	(118,040)	(49,306)	(69,734)	141.43
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(103,380)	(49,306)	(54,074)	109.67				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(118,528)	(49,306)	(69,222)	140.39				
14 TOTAL (12+13)	(221,908)	(98,612)	(123,296)	125.03				
15 AVERAGE (50% OF 14)	(110,954)	(49,306)	(61,648)	125.03				
16 INTEREST RATE - FIRST DAY OF MONTH	5.56000%	0.00000%	5.56000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.52000%	0.00000%	5.52000%	0.00				
18 TOTAL (16+17)	11.08000%	0.00000%	11.08000%	0.00				
19 AVERAGE (50% OF 18)	5.54000%	0.00000%	5.54000%	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.46167%	0.00000%	0.46167%	0.00				
21 INTEREST PROVISION (15x20)	(512)	0	(512)	0.00				

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

REVISED

COMPANY: INDIANTOWN GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2  
(REVISED 8/19/93)

FOR THE PERIOD OF: APRIL 98 Through MARCH 99

	CURRENT MONTH: SEPTEMBER 1998				PERIOD TO DATE			
	ACTUAL	REVISED ESTIMATE	DIFFERENCE		ACTUAL	REVISED ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
<i>Revised</i>								
<b>TRUE-UP CALCULATION</b>								
1 PURCHASED GAS COST	0	0	0	0.00	0	0	0	0.00
2 TRANSPORTATION COST	52,673	65,000	(12,327)	(18.96)	730,182	742,509	(12,327)	(1.66)
3 TOTAL	52,673	65,000	(12,327)	(18.96)	730,182	742,509	(12,327)	(1.66)
4 FUEL REVENUES (NET OF REVENUE TAX)	40,654	69,950	(29,296)	(41.88)	718,769	748,065	(29,296)	(3.92)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(24,654)	(24,654)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	36,545	65,841	(29,296)	(44.50)	694,115	723,411	(29,296)	(4.05)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(16,128)	841	(16,969)	(2,017.72)	(36,067)	(19,098)	(16,969)	88.85
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(560)	(536)	(24)	4.48	(3,210)	(3,186)	(24)	0.75
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(119,040)	(119,040)	0	0.00	(116,996)	(116,996)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	24,654	24,654	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)	(131,619)	(114,626)	(16,993)	14.82	(131,619)	(114,626)	(16,993)	14.82
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(119,040)	(119,040)	0	0.00				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(131,059)	(114,090)	(16,969)	14.87				
14 TOTAL (12+13)	(250,099)	(233,130)	(16,969)	7.28				
15 AVERAGE (50% OF 14)	(125,050)	(116,565)	(8,485)	7.28				
16 INTEREST RATE - FIRST DAY OF MONTH	5.52000%	5.52000%	0.00000%	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.22000%	5.52000%	-0.30000%	(5.43)				
18 TOTAL (16+17)	10.74000%	11.04000%	-0.30000%	(2.72)				
19 AVERAGE (50% OF 18)	5.37000%	5.52000%	-0.15000%	(2.72)				
20 MONTHLY AVERAGE (19/12 Months)	0.44750%	0.46000%	-0.01250%	(2.72)				
21 INTEREST PROVISION (15x20)	(560)	(536)	(24)	4.48				

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

FOR THE PERIOD OF: APRIL 98 Through MARCH 99

	CURRENT MONTH: OCTOBER 1998				PERIOD TO DATE			
	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 TRANSPORTATION COST	47,683	95,000	(47,317)	(49.81)	777,865	837,509	(59,644)	(7.12)
3 TOTAL	47,683	95,000	(47,317)	(49.81)	777,865	837,509	(59,644)	(7.12)
4 FUEL REVENUES (NET OF REVENUE TAX)	61,273	97,500	(36,227)	(37.16)	780,042	845,565	(65,523)	(7.75)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(28,763)	(28,763)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	57,164	93,391	(36,227)	(38.79)	751,279	816,802	(65,523)	(8.02)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	9,481	(1,609)	11,090	(689.25)	(26,586)	(20,707)	(5,879)	28.39
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(537)	(522)	(15)	2.87	(3,747)	(3,708)	(39)	1.05
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(131,619)	(114,626)	(16,993)	14.82	(116,996)	(116,996)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	28,763	28,763	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)	(118,566)	(112,648)	(5,918)	5.25	(118,566)	(112,648)	(5,918)	5.25
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(131,619)	(114,626)	(16,993)	14.82				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(118,029)	(112,126)	(5,903)	5.26				
14 TOTAL (12+13)	(249,648)	(226,752)	(22,896)	10.10				
15 AVERAGE (50% OF 14)	(124,824)	(113,376)	(11,448)	10.10				
16 INTEREST RATE - FIRST DAY OF MONTH	5.22000%	5.52000%	-0.30000%	(5.43)				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.10000%	5.52000%	-0.42000%	(7.61)				
18 TOTAL (16+17)	10.32000%	11.04000%	-0.72000%	(6.52)				
19 AVERAGE (50% OF 18)	5.16000%	5.52000%	-0.36000%	(6.52)				
20 MONTHLY AVERAGE (19/12 Months)	0.43000%	0.46000%	-0.03000%	(6.52)				
21 INTEREST PROVISION (15x20)	(537)	(522)	(15)	2.87				

\* REVISED ESTIMATE IS FIVE 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 98 Through MARCH 99

	CURRENT MONTH: NOVEMBER 1998		PERIOD TO DATE					
	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 TRANSPORTATION COST	138,063	110,000	28,063	25.51	915,928	947,509	(31,581)	(3.33)
3 TOTAL	138,063	110,000	28,063	25.51	915,928	947,509	(31,581)	(3.33)
4 FUEL REVENUES (NET OF REVENUE TAX)	105,175	112,500	(7,325)	(6.51)	885,217	958,065	(72,848)	(7.60)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(32,872)	(32,872)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	101,066	108,391	(7,325)	(6.76)	852,345	925,193	(72,848)	(7.87)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(36,997)	(1,609)	(35,388)	2,199.38	(63,583)	(22,316)	(41,267)	184.92
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(596)	(512)	(84)	16.41	(4,343)	(4,220)	(123)	2.91
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(118,566)	(112,648)	(5,918)	5.25	(116,996)	(116,996)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	32,872	32,872	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)	(152,050)	(110,660)	(41,390)	37.40	(152,050)	(110,660)	(41,390)	37.40
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(118,566)	(112,648)	(5,918)	5.25				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(151,454)	(110,148)	(41,306)	37.50				
14 TOTAL (12+13)	(270,020)	(222,796)	(47,224)	21.20				
15 AVERAGE (50% OF 14)	(135,010)	(111,398)	(23,612)	21.20				
16 INTEREST RATE - FIRST DAY OF MONTH	5.10000%	5.52000%	-0.42000%	(7.61)				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.50000%	5.52000%	-0.02000%	(0.36)				
18 TOTAL (16+17)	10.60000%	11.04000%	-0.44000%	(3.99)				
19 AVERAGE (50% OF 18)	5.30000%	5.52000%	-0.22000%	(3.99)				
20 MONTHLY AVERAGE (19/12 Months)	0.44167%	0.46000%	-0.01833%	(3.99)				
21 INTEREST PROVISION (15x20)	(596)	(512)	(84)	16.41				

\* REVISED ESTIMATE IS FIVE MONTHS ACTUAL &amp; 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 98 Through DECEMBER 98

	CURRENT MONTH: DECEMBER 1998				PERIOD TO DATE			
	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 TRANSPORTATION COST	56,833	175,000	(118,167)	(67.52)	972,761	1,122,509	(149,748)	(13.34)
3 TOTAL	56,833	175,000	(118,167)	(67.52)	972,761	1,122,509	(149,748)	(13.34)
4 FUEL REVENUES (NET OF REVENUE TAX)	89,832	185,500	(105,668)	(54.05)	975,049	1,153,565	(178,516)	(16.46)
5 TRUE-UP (COLLECTED) OR REFUNDED	(4,109)	(4,109)	0	0.00	(36,981)	(36,981)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	85,723	191,391	(105,668)	(55.21)	938,068	1,116,584	(178,516)	(16.99)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	28,890	16,391	12,499	76.26	(34,693)	(5,925)	(28,768)	486.64
8 INTEREST PROVISION - THIS PERIOD (LINE 21)	(587)	(462)	(125)	27.06	(4,930)	(4,682)	(248)	5.30
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(152,050)	(110,660)	(41,390)	37.40	(116,996)	(116,996)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	4,109	4,109	0	0.00	36,981	36,981	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)	(119,636)	(90,622)	(29,016)	32.02	(119,636)	(90,622)	(29,016)	32.02
<b>INTEREST PROVISION</b>								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(152,050)	(110,660)	(41,390)	37.40				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(119,051)	(90,160)	(28,891)	32.04				
14 TOTAL (12+13)	(271,101)	(200,820)	(70,281)	35.00				
15 AVERAGE (50% OF 14)	(135,551)	(100,410)	(35,141)	35.00				
16 INTEREST RATE - FIRST DAY OF MONTH	5.50000%	5.52000%	-0.02000%	(0.36)				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	4.90000%	5.52000%	-0.62000%	(11.23)				
18 TOTAL (16+17)	10.40000%	11.04000%	-0.64000%	(5.80)				
19 AVERAGE (50% OF 18)	5.20000%	5.52000%	-0.32000%	(5.80)				
20 MONTHLY AVERAGE (19/12 Months)	0.43333%	0.46000%	-0.02667%	(5.80)				
21 INTEREST PROVISION (15x20)	(587)	(462)	(125)	27.06				

\* REVISED ESTIMATE IS FIVE MONTHS ACTUAL &amp; FOUR MONTHS REVISED ESTIMATE