

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

August 6, 1999

Mr. Michael A. Palecki
City Gas Company of Florida
PMB 110-M
3111-20 Mahan Drive
Tallahassee, FL 32308-5511

**Re: Docket No. 990002-EG; City Gas Company of Florida
Audit Report; Conservation - Historical Year Ended March 31, 1999
Audit Control No. 99-079-4-1 - Revised Page 4**

Mr. Palecki:

Please replace page 4 with the attached page 4.

Sincerely,

A handwritten signature in cursive script that reads "Denise N. Vandiver".

Denise N. Vandiver
Bureau Chief - Auditing Services

DNV: sp

Attachment

cc: Division of Records and Reporting
Division of Auditing and Financial Analysis (Devlin/Causseaux/Harvey/File Folder)
Division of Electric and Gas (Lowery)
Miami District Office (Welch)
Division of Legal Services

Office of Public Counsel

III. EXCEPTIONS

Exception No. 1

Subject: Duplication of Common Payroll

Statement of fact: The company made several adjustment to its books to prepare the filing. One of these adjustments was labeled "LL" and added common payroll for two employees that had not been directly charged. The entry added \$16,424.81 of payroll to the filing (\$14,422.56 in November and \$2,002.25 in December). However, the company had made another adjusting entry to payroll that had already included this adjustment.

The company also made an adjustment labeled "S" for the benefits related to this adjustment. It increased filing expenses by \$7,046.84 (\$5,047.90 in November and \$1,998.94 in December). With the payroll adjustment this totals \$23,471.65.

When the company posted these two adjustments, it totaled the months in March 1999's adjustment column. Therefore, it posted these two adjustments twice, totaling \$46,943.30.

Opinion: The adjustments should never have been posted and need to be removed twice because of the error in the way the company totaled the columns. Interest amounts to \$472 according to the attached true-up revision. With interest, this amounts to \$47,415.