

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: July 24, 2000
TO: Division of Competitive Services (CMP) - Shevie Brown
FROM: Division of Regulatory Oversight (Vandiver) *OV*
RE: ~~00002~~ St. Joe Natural Gas Company, Inc.
Audit Report; Conservation - Nine Months Ended December 31, 1999
Audit Control No. 00-082-1-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, they should send it to the Division of Records and Reporting. There are no confidential work papers associated with this audit.

DNV/sp

Attachment

cc: Division of Regulatory Oversight (Hoppe/Harvey/File Folder)
Tallahassee District Office (Hicks)
✓ Division of Records and Reporting
Division of Legal Services

Stuart L. Shoaf
St. Joe Natural Gas Company, Inc.
P. O. Box 549
Port St. Joe, FL 32457-0549

DOCUMENT NUMBER-DATE

08921 JUL 24 8

FPSC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY OVERSIGHT
BUREAU OF AUDITING SERVICES

Tallahassee District Office

ST. JOE NATURAL GAS COMPANY, INC.

ENERGY CONSERVATION COST RECOVERY AUDIT

NINE MONTHS ENDED DECEMBER 31, 1999

DOCKET NO. 000002-GU
AUDIT CONTROL NO. 00-082-1-1

Mark Caruth

Mark Caruth, Audit Manager

Rhonda L. Hicks

Rhonda Hicks, Audit Supervisor

DOCUMENT NUMBER-DATE
08921 JUL 24 8
FPSC-RECORDS/REPORTING

TABLE OF CONTENTS

I.	AUDITOR'S REPORT	PAGE
	PURPOSE	1
	DISCLAIM PUBLIC USE	1
	OPINION	1
	SUMMARY OF SIGNIFICANT PROCEDURES	2
II.	EXHIBIT (True-up)	

**DIVISION OF REGULATORY OVERSIGHT
AUDITOR'S REPORT**

July 12, 2000

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report and have recalculated the true-up and interest exhibits filed by St. Joe Natural Gas Company in support of Docket No. 000002-GU for the nine months ended December 31, 1999, to determine that the exhibits represent the utility's books and records and that those books and records are maintained in compliance with Commission directives and that facts which may influence the Commission's decision process are disclosed. There is no confidential information associated with this audit.

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.

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:

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

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

Conservation Revenues: Compiled the conservation revenues and determined that the company has used the approved ECCR factors as set forth in the appropriate Commission Order; selectively traced: revenue data to customer bills; therms to billing register data; therms to monthly Recap Accounts Receivables Reconciliation; therms to monthly Gas Accounts Receivable Reconciliation; and revenues to Journal Entry data.

Conservation Expenses: Compiled conservation program expenses; verified that conservation rebate programs have been excluded from conservation cost.

Other: Recalculated Company true-up and interest provision; verified the correct beginning true-up; verified that the interest rates applied to under/over recovery amounts for the nine months ended December 31, 1999 were correct.

St. Joe Natural Gas Company, Inc.
 Audit of ECCR
 For April99-Mar00
Schedule of True-Up and Interest Provision
 Prepared by: Mark Caruth

TRUE-UP CALCULATION													
	April 1999	May 1999	June 1999	July 1999	August 1999	September 1999	October 1999	November 1999	December 1999	January 2000	February 2000	March 2000	Total
1. RCS Audit Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Other Program Revs.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Conservation Adjusted Revs.	(128)	(90)	(79)	(79)	(68)	(86)	(83)	(143)	(208)	0	0	0	(964.00)
4. Total Revenues	(128)	(90)	(79)	(79)	(68)	(86)	(83)	(143)	(208)	0	0	0	(966.00)
5. Prior True-Up Collected/(Refunded)	(1,173)	(1,173)	(1,173)	(1,173)	(1,173)	(1,173)	(1,173)	(1,173)	(1,173)	0	0	0	(10,557)
6. Conservation Revs Applicable to the Period	(1,301)	(1,263)	(1,252)	(1,252)	(1,241)	(1,259)	(1,256)	(1,316)	(1,381)	0	0	0	(11,523)
7. Conservation Expenses	2,125	1,025	675	3,950	1,425	675	1,725	2,250	3,400				17,250
8. True-Up- This Period (L6 + L7)	824	(238)	(577)	2,698	184	(584)	469	934	2,019	0	0	0	5,727
9. Interest Provision- This Period (L22)	(39)	(33)	(31)	(22)	(11)	(7)	(2)	6	(19)	0	0	0	(120)
10. True-Up & Interest Prov.- Beginning of Month	(10,555)	(8,597)	(7,695)	(7,129)	(3,280)	(1,934)	(1,353)	286	2,399	5,609	5,609	5,609	(21,031)
11. True-Up Collected/(Refunded) (reverse of L5)	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	0	0	0	10,557
12. Total Net True-Up (Sum lines 8+9+10+11)	(8,597)	(7,695)	(7,130)	(3,280)	(1,934)	(1,352)	287	2,399	5,610	5,609	5,609	5,609	(4,865)

Calculated
Filed

INTEREST PROVISION													
13. Beginning True-Up & Interest Provision (L10)	(10,555)	(8,597)	(7,695)	(7,129)	(3,280)	(1,934)	(1,353)	286	2,399	5,609	5,609	5,609	(21,031)
14. Ending True-up Before Interest (L13 +L8- L5)	(8,558)	(7,662)	(7,099)	(3,258)	(1,923)	(1,345)	289	2,393	5,591	5,609	5,609	5,609	(4,747)
15. Total (L13 + L14)	(19,113)	(16,259)	(14,794)	(10,387)	(5,203)	(3,279)	(1,064)	2,679	7,990	11,218	11,218	11,218	(25,778)
16. Average (50% of L15)	(9,557)	(8,130)	(7,397)	(5,194)	(2,602)	(1,640)	(532)	1,340	3,995	5,609	5,609	5,609	(12,889)
17. Interest Rate 1st. Day of Month	0.04880	0.04800	0.04850	0.05050	0.05100	0.05320	0.05300	0.05300	0.05550	N/A	N/A	N/A	
18. Interest Rate 1st. Day of Subsequent Month	0.04800	0.04850	0.05050	0.05100	0.05320	0.05300	0.05300	0.05550	0.05600	N/A	N/A	N/A	
19. Total (L17 + L18)	0.09680	0.09650	0.09900	0.10150	0.10420	0.10620	0.10600	0.10850	0.11150	0.00000	0.00000	0.00000	
20. Average (50% of L19)	0.04840	0.04825	0.04950	0.05075	0.05210	0.05310	0.05300	0.05425	0.05575	N/A	N/A	N/A	
21. Monthly Average (L20/12)	0.00403	0.00402	0.00413	0.00423	0.00434	0.00443	0.00442	0.00452	0.00465	N/A	N/A	N/A	
22. Interest Provision (L16 x L21)	(39)	(33)	(31)	(22)	(11)	(7)	(2)	6	19	0	0	0	(120)

PY = Researched per Prior Year Audit

Recalculated by Auditor

Source: Company's filing
 Source: FPSC Interest Rate Schedule in 5-3

Auditor's Note:
 There was an immaterial difference in Dec1999 regarding Interest Rate Filed vs. FPSC Interest Rate
Interest Rate per utility .055
Interest Rate per FPSC .0555