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RECORDS AND REPORTING

January 16, 2001

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: South Florida Natural Gas; Docket No. 010003-GU

Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas in this docket are an original and fifteen copies of South Florida Natural Gas' Petition for Approval of Mid-Course Correction in PGA Cap in the above-referenced docket.

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Sincerely,

Norman H. Horton, Jr.
Norman H. Horton, Jr.

- APP _____ NHH/amb
- CAF _____ Enclosures
- CMP _____ cc: Mr. Al Kara
- COM 3 _____ Parties of Record
- CTR _____
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- PAI _____
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- SEC 1 _____
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- OTH _____

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00614 JAN 16 01
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas)
Adjustment (PGA) True-Up)
_____)

Docket No. 010003-GU
Filed: January 16, 2001

**PETITION OF SOUTH FLORIDA NATURAL GAS FOR APPROVAL
OF MID-COURSE CORRECTION IN PGA CAP**

South Florida Natural Gas, by the undersigned, hereby files its petition for approval of a revision, through a mid-course correction, to its purchased gas adjustment (“PGA”) cap to be effective upon vote of the Commission.

1. The name of the petitioner and the mailing address of its principal office in Florida is:

South Florida Natural Gas
P.O. Box 248
New Smyrna Beach, FL 32170-0248

2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this petition are:

Norman H. Horton, Jr., Esq. Messer, Caparello & Self, P.A. Post Office Box 1876 Tallahassee, FL 32302-1876 850/222-0720 (telephone) 850/224-4359 (telecopier)	Mr. Al Kara South Florida Natural Gas P.O. Box 248 New Smyrna Beach, FL 32170-0248 (904)428-5721 (904)427-6663 (telecopier)
--	--

3. This Commission has adopted a method for the recovery of purchased gas costs by regulated natural gas utilities, to be used for the recovery of such costs through the calendar year, commencing January 1, and ending December 31. For calendar year 2001, each investor-owned natural gas utility has been assigned a levelized PGA factor to serve as a cap, or maximum recovery factor. Order No. PSC-00-2383-FOF-GU, issued by this Commission on

December 12, 2000 approved a levelized PGA for South Florida Natural Gas of 0.79208 cents per therm for the period January through December 2001.

4. In Order No. PSC-93-0708-FOF-GU, Issued May 10, 1993, in Docket No. 930003-GU, the Commission determined that a utility may at its option, formally request a mid-course correction if re-projected expenses for the remaining period significantly exceed projected revenues for the period, when using the Commission-approved cap.

5. As indicated by Schedule E-1 attached hereto as Appendix 1, at the current PGA cap, South Florida Natural Gas projects an underrecovery of \$933,218 for the period January 2001 through December 2001. With the requested mid-course the projection is for an underrecovery of \$3,418.

6. The primary reason the Company's expenses would exceed revenues is the significant and drastically increased costs for natural gas on a national basis and continuing upward pressure on these costs. The colder than normal weather and low storage levels has contributed to this drastic increase and at this time there is no indication that there will be any decreases in the next several months. These conditions have significantly affected South Florida Natural Gas and the increased cap is necessary in order to afford the company an opportunity to recover these costs and address the continued expected upward pressures.

7. South Florida Natural Gas requests that the Commission approve an increase in its PGA cap from 0.79208 cents per therm to \$1.25944 per therm. The company proposes that the increased gas costs be approved for application to customer's bills immediately otherwise the company will experience even greater shortfalls.

8. The Commission has previously approved mid-course corrections in recovery factors when the amount of the projected underrecovery was substantial such as is the case here. Most recently the Commission approved mid-course corrections for Peoples Gas Co. (Order No.


PSC-00-1524-PCO-GU); Indiantown Gas Co., (PSC-00-1909-PCO-GU); Chesapeake Utilities Corp. (PSC-00-1910-PCO-GU); Florida Public Utilities Co. (PSC-00-2137-PCO-GU); St. Joe Natural Gas Co. (PSC-00-2138-PCO-GU) and City Gas Co. of Florida (PSC-00-1422-PCO-GU)

9. As the Commission has often recognized in approving mid-course corrections in this Docket, there will not be time to conduct a prudence review of the Company's re-projections of purchased gas costs prior to the implementation of the increase in the PGA factor sought by this petition, but such prudence review will occur as a matter of course at the November hearing to be held in this docket. If the increase in the cost recovery cap is ultimately found imprudent, ratepayers will suffer no harm, since any costs found imprudent will be disallowed for recovery and such disallowance will flow to the ratepayers through the true-up mechanism which is an integral part of the procedures in this docket. On the other hand, if the mid-course correction is not implemented and the Company's costs are found to have been prudently incurred, the Company would be entitled to collect interest from its ratepayers on the amount of the underrecovery, thereby further increasing the cost of gas to the ratepayers.

WHEREFORE, South Florida Natural Gas respectfully requests that the Commission enter its order approving an increase in the maximum PGA cap to \$1.25944 per therm for application as of the date of the Commission vote.

Respectfully submitted,

MESSER, CAPARELLO, & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720


NORMAN H. HORTON, JR., ESQ.
Attorneys for South Florida Natural Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of South Florida Natural Gas' Petition for Approval of Mid-course Correction in PGA Cap in Docket No. 010003-GU have been served by hand delivery (*) and/or U. S. Mail this 16th day of January, 2001 upon the following:

Cochran Keating, Esq.*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 370
Tallahassee, FL 32399-0850

Mr. John T. English
President
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395

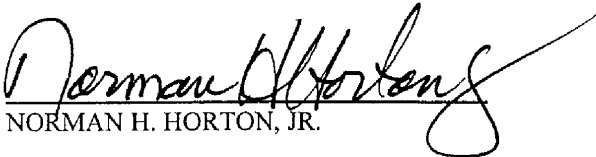
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Mr. Robert Cooper
U.S. Gypsum Company
P.O. Box 806278
Chicago, IL 60680-4124

Appendix 1
South Florida Natural Gas
Purchased Gas Adjustment Factor (Cap)
For the Period January 2001 through December 2001

Without Midcourse Correction

	January 1, 2001 Through <u>Dec. 31, 2001</u>
PGA Factor	\$ 0.79208

With Midcourse Correction

	1-Feb-01 Through <u>31-Dec-01</u>
PGA Factor	\$ 1.25944

		PROJECTION												TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COST OF GAS PURCHASED														
1	COMMODITY	1,890	2,486	1,876	1,349	752	732	719	724	726	723	902	1,473	14,350
2	NO NOTICE SERVICE	1,280	743	823	407	219	212	201	201	177	183	797	823	6,068
3	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
4	COMMODITY (Other)	468,623	577,064	405,550	190,224	94,469	89,891	88,624	88,923	88,601	88,100	208,153	343,308	2,731,531
5	DEMAND	27,980	25,273	27,980	22,428	7,946	7,690	7,946	7,946	7,690	13,030	27,078	27,980	210,969
6	MGMT FEE	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS END-USE CONTRACT														
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-	-	-	-	-	-
10	Second Prior Month Adj (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	499,774	605,566	436,229	214,409	103,387	98,525	97,490	97,794	97,194	102,037	236,930	373,584	2,962,918
12	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
13	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-
14	TOTAL THERM SALES	322,771	424,402	320,267	230,387	128,348	124,913	122,722	123,568	123,991	123,509	154,016	251,435	2,450,332
THERMS PURCHASED														
15	COMMODITY (Pipeline)	396,180	521,080	393,080	282,900	157,480	153,300	150,660	151,590	152,100	151,590	189,000	308,760	3,007,720
16	NO NOTICE SERVICE	217,000	126,000	139,500	69,000	37,200	36,000	34,100	34,100	30,000	31,000	135,000	139,500	1,028,400
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COMMODITY (Other)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541
19	DEMAND	745,550	673,400	745,550	597,600	211,730	204,900	211,730	211,730	204,900	347,200	721,500	745,550	5,621,340
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS END-USE CONTRACT														
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (+17+18+20)-(21+23)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
26	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-
27	TOTAL THERM SALES (24-26 ESTIMATED ONLY)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541
CENTS PER THERM														
28	COMMODITY (Pipeline)	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477
29	NO NOTICE SERVICE	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590
30	SWING SERVICE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	COMMODITY (Other)	115.000	107.700	100.300	65.400	58.300	57.000	57.200	57.000	56.600	56.500	107.050	108.150	78.850
32	DEMAND	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753
33	OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT														
34	COMMODITY (Pipeline)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL PURCHASES	122.644	113.019	107.888	73.715	63.803	62.475	62.922	62.686	62.089	65.438	121.849	117.688	86.351
38	NET UNBILLED	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39	COMPANY USE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	TOTAL COST OF THERMS SOLD	122.644	113.019	107.888	73.715	63.803	62.475	62.922	62.686	62.089	65.438	121.849	117.688	86.351
41	TRUE-UP	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247
42	TOTAL COST OF GAS	127.891	118.266	113.135	78.962	69.050	67.722	68.169	67.933	67.336	70.685	127.096	122.935	91.598
43	REVENUE TAX FACTOR	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030
44	PGA FACTOR ADJUSTED FOR TAXES	128.535	118.861	113.704	79.359	69.398	68.062	68.512	68.275	67.675	71.040	127.736	123.553	92.059
45	PGA FACTOR ROUNDED TO NEAREST .001	128.535	118.861	113.704	79.359	69.398	68.062	68.512	68.275	67.675	71.040	127.736	123.553	92.059

Mid Course Cap Calculation
1 25944

Company		CALCULATION OF TRUE-UP AND INTEREST PROVISION												Appendix 1	SCHEDULE E-2
SOUTH FLORIDA NATURAL GAS		FOR THE PERIOD OF JANUARY 01 Through DECEMBER 01													EXHIBIT NO. _____
															DOCKET NO 010003-GU
															SOUTH FLA NATURAL GAS
															AK-1
															PAGE 2 OF 4
		PROJECTION												Total	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Period	
TRUE-UP CALCULATION															
1	PURCHASED GAS COST	468,623	577,064	405,550	190,224	94,469	89,891	88,624	88,923	88,601	88,100	208,153	343,308	2,731,531	
2	TRANSPORTATION COST	31,151	28,502	30,679	24,184	8,917	8,634	8,866	8,871	8,593	13,937	28,776	30,276	231,387	
3	TOTAL	499,774	605,566	436,229	214,409	103,387	98,525	97,490	97,794	97,194	102,037	236,930	373,584	2,962,918	
4	FUEL REVENUES (NET OF REVENUE TAX)	322,771	424,402	320,267	230,367	128,349	124,913	122,722	123,568	123,991	123,509	154,016	251,435	2,450,332	
5	TRUE-UP (COLLECTED) OR REFUNDED	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(162,324)	
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	309,244	410,875	306,740	216,860	114,822	111,386	109,195	110,041	110,464	109,982	140,489	237,908	2,288,008	
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(190,530)	(194,691)	(129,489)	2,451	11,435	12,862	11,705	12,247	13,270	7,945	(96,441)	(135,676)	(674,910)	
8	INTEREST PROVISION - THIS PERIOD (21)	(2,193)	(3,121)	(3,930)	(4,331)	(4,422)	(4,444)	(4,310)	(4,182)	(4,046)	(3,898)	(4,033)	(4,645)	(47,553)	
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(373,079)	(552,274)	(736,559)	(856,450)	(844,803)	(824,263)	(802,318)	(781,396)	(759,803)	(737,052)	(719,478)	(806,425)	(373,079)	
10	TRUE-UP COLLECTED OR (RDFUNDED) (REVERSE OF LINE 5)	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	162,324	
10a	FLEX RATE REFUND (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(652,274)	(736,559)	(856,450)	(844,803)	(824,263)	(802,318)	(781,396)	(759,803)	(737,052)	(719,478)	(806,425)	(933,218)	(933,218)	
INTEREST PROVISION															
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(373,079)	(552,274)	(736,559)	(856,450)	(844,803)	(824,263)	(802,318)	(781,396)	(759,803)	(737,052)	(719,478)	(806,425)		
13	ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(550,082)	(733,438)	(852,521)	(840,472)	(819,841)	(797,874)	(777,085)	(755,621)	(733,006)	(715,580)	(802,392)	(928,573)		
14	TOTAL (12+13)	(923,161)	(1,285,712)	(1,589,079)	(1,696,922)	(1,664,644)	(1,622,136)	(1,579,403)	(1,537,017)	(1,492,809)	(1,452,632)	(1,521,870)	(1,734,998)		
15	AVERAGE (50% OF 14)	(461,580)	(642,856)	(794,540)	(848,461)	(832,322)	(811,068)	(789,702)	(768,509)	(746,405)	(726,316)	(760,935)	(867,499)		
16	INTEREST RATE - FIRST DAY OF MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.520%	6.540%	6.470%	6.410%	6.310%		
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.800%	5.850%	6.070%	6.180%	6.570%	6.580%	6.520%	6.540%	6.470%	6.410%	6.310%	6.540%		
18	TOTAL (16+17)	11.400%	11.650%	11.870%	12.250%	12.750%	13.150%	13.100%	13.060%	13.010%	12.880%	12.720%	12.850%		
19	AVERAGE (50% OF 18)	5.700%	5.825%	5.935%	6.125%	6.375%	6.575%	6.550%	6.530%	6.505%	6.440%	6.360%	6.425%		
20	MONTHLY AVERAGE (19/12 Months)	0.475%	0.486%	0.495%	0.510%	0.531%	0.548%	0.546%	0.544%	0.542%	0.537%	0.530%	0.535%		
21	INTEREST PROVISION (15*20)	(2,193)	(3,121)	(3,930)	(4,331)	(4,422)	(4,444)	(4,310)	(4,182)	(4,046)	(3,898)	(4,033)	(4,645)		

Company		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION												Appendix 2	SCHEDULE E-1 EXHIBIT NO _____ DOCKET NO 010003-GU SOUTH FLA NATURAL GAS AK-1 PAGE 3 OF 4
ORIGINAL ESTIMATE FOR THE PERIOD OF :		JANUARY 01 Through DECEMBER 01													
1 25944		PROJECTION													
COST OF GAS PURCHASED		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
1	COMMODITY	1,890	2,486	1,876	1,349	752	732	719	724	726	723	902	1,473	14,350	
2	NO NOTICE SERVICE	1,280	743	823	407	219	212	201	201	177	183	797	823	6,068	
3	OTHER														
4	COMMODITY (Other)	468,623	577,064	405,550	190,224	94,469	89,891	88,624	88,923	88,601	88,100	208,153	343,308	2,731,531	
5	DEMAND	27,960	25,273	27,980	22,428	7,946	7,690	7,946	7,946	7,690	13,030	27,078	27,980	210,969	
6	MGMT FEE														
LESS END-USE CONTRACT															
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-	
9		-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Second Prior Month Adj (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	499,774	605,566	436,229	214,409	103,387	98,525	97,490	97,794	97,194	102,037	236,930	373,584	2,962,918	
12	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	TOTAL THERM SALES	322,771	674,818	509,239	366,325	204,080	198,618	178,178	101,403	101,750	106,032	239,167	377,750	3,380,132	
THERMS PURCHASED															
15	COMMODITY (Pipeline)	396,180	521,080	393,080	282,900	157,480	153,300	150,660	151,590	152,100	151,590	189,000	308,760	3,007,720	
16	NO NOTICE SERVICE	217,000	126,000	139,500	69,000	37,200	36,000	34,100	34,100	30,000	31,000	135,000	139,500	1,028,400	
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	COMMODITY (Other)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541	
19	DEMAND	745,550	673,400	745,550	597,600	211,730	204,900	211,730	211,730	204,900	347,200	721,500	745,550	5,621,340	
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	
LESS END-USE CONTRACT															
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-	
23		-	-	-	-	-	-	-	-	-	-	-	-	-	
24	TOTAL PURCHASES (+17+18+20)-(21+23)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541	
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	TOTAL THERM SALES (24-26 ESTIMATED ONLY)	407,498	535,807	404,337	290,863	162,040	157,703	154,937	156,005	156,539	155,930	194,445	317,437	3,093,541	
CENTS PER THERM															
28	COMMODITY (Pipeline) (1/15)	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	0.477	
29	NO NOTICE SERVICE (2/16)	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	
30	SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
31	COMMODITY (Other) (4/18)	115.000	107.700	100.300	65.400	58.300	57.000	57.200	57.000	56.600	56.500	107.050	108.150	78.850	
32	DEMAND (5/19)	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	3.753	
33	OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
LESS END-USE CONTRACT															
34	COMMODITY (Pipeline) (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
35	DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
36		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
37	TOTAL PURCHASES (11/24)	122.644	113.019	107.888	73.715	63.803	62.475	62.922	62.686	62.089	65.438	121.849	117.688	86.351	
38	NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
39	COMPANY USE (13/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
40	TOTAL COST OF THERMS SOLD (11/27)	122.644	113.019	107.888	73.715	63.803	62.475	62.922	62.686	62.089	65.438	121.849	117.688	86.351	
41	TRUE-UP (E-2)	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	5.247	
42	TOTAL COST OF GAS (40+41)	127.891	118.266	113.135	78.962	69.050	67.722	68.169	67.933	67.336	70.685	127.096	122.935	91.598	
43	REVENUE TAX FACTOR	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	
44	PGA FACTOR ADJUSTED FOR TAXES (42*43)	128.535	118.861	113.704	79.359	69.398	68.062	68.512	68.275	67.675	71.040	127.736	123.553	92.059	
45	PGA FACTOR ROUNDED TO NEAREST .001	128.535	118.861	113.704	79.359	69.398	68.062	68.512	68.275	67.675	71.040	127.736	123.553	92.059	

Company	SOUTH FLORIDA NATURAL GAS	CALCULATION OF TRUE-UP AND INTEREST PROVISION	Appendix 2	SCHEDULE E-2										
		FOR THE PERIOD OF	JANUARY 01 Through DECEMBER 01	EXHIBIT NO. _____										
				DOCKET NO 010003-GU										
				SOUTH FLA NATURAL GAS										
				AK 1										
				PAGE 4 OF 4										
		PROJECTION											Total	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Period
TRUE-UP CALCULATION														
1	PURCHASED GAS COST	468,623	577,064	405,550	190,224	94,469	89,891	88,624	88,923	88,601	88,100	208,153	343,308	2,731,531
2	TRANSPORTATION COST	31,151	28,502	30,679	24,184	8,917	8,634	8,866	8,871	8,593	13,937	28,776	30,276	231,387
3	TOTAL	499,774	605,566	436,229	214,409	103,387	98,525	97,490	97,794	97,194	102,037	236,930	373,584	2,962,918
4	FUEL REVENUES (NET OF REVENUE TAX)	322,771	674,818	509,239	366,325	204,080	198,618	178,178	101,403	101,750	106,032	239,167	377,750	3,380,132
5	TRUE-UP (COLLECTED) OR REFUNDED	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(13,527)	(162,324)
6	FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	309,244	661,291	495,712	352,798	190,553	185,091	164,651	87,876	88,223	92,505	225,640	364,223	3,217,808
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(190,530)	55,725	59,483	138,389	87,166	86,566	67,160	(9,918)	(8,971)	(9,532)	(11,289)	(9,361)	254,890
8	INTEREST PROVISION - THIS PERIOD (21)	(2,193)	(3,121)	(3,930)	(4,331)	(4,422)	(4,444)	(4,310)	(4,182)	(4,046)	(3,898)	(4,033)	(4,645)	(47,553)
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(373,079)	(552,274)	(486,143)	(417,062)	(269,477)	(173,205)	(77,556)	(1,179)	(1,751)	(1,241)	(1,144)	(2,939)	(373,079)
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	162,324
10a	FLEX RATE REFUND (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(552,274)	(486,143)	(417,062)	(269,477)	(173,205)	(77,556)	(1,179)	(1,751)	(1,241)	(1,144)	(2,939)	(3,418)	(3,418)
INTEREST PROVISION														
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(373,079)	(552,274)	(486,143)	(417,062)	(269,477)	(173,205)	(77,556)	(1,179)	(1,751)	(1,241)	(1,144)	(2,939)	
13	ENDING TRUE-UP BEFORE INTEREST (12+7.5)	(550,082)	(483,022)	(413,133)	(265,146)	(168,783)	(73,112)	3,132	2,431	2,805	2,754	1,094	1,227	
14	TOTAL (12+13)	(923,161)	(1,285,712)	(1,589,079)	(1,686,922)	(1,664,644)	(1,622,136)	(1,579,403)	(1,537,017)	(1,492,809)	(1,452,632)	(1,521,870)	(1,734,998)	
15	AVERAGE (50% OF 14)	(461,580)	(642,856)	(794,540)	(848,461)	(832,322)	(811,068)	(789,702)	(768,509)	(746,405)	(726,316)	(760,935)	(867,499)	
16	INTEREST RATE - FIRST DAY OF MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.520%	6.540%	6.470%	6.410%	6.310%	
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.800%	5.850%	6.070%	6.180%	6.570%	6.580%	6.520%	6.540%	6.470%	6.410%	6.310%	6.540%	
18	TOTAL (16+17)	11.400%	11.650%	11.870%	12.250%	12.750%	13.150%	13.100%	13.060%	13.010%	12.880%	12.720%	12.850%	
19	AVERAGE (50% OF 18)	5.700%	5.825%	5.935%	6.125%	6.375%	6.575%	6.550%	6.530%	6.505%	6.440%	6.360%	6.425%	
20	MONTHLY AVERAGE (19/12 Months)	0.475%	0.485%	0.495%	0.510%	0.531%	0.548%	0.546%	0.544%	0.542%	0.537%	0.530%	0.535%	
21	INTEREST PROVISION (15*20)	(2,193)	(3,121)	(3,930)	(4,331)	(4,422)	(4,444)	(4,310)	(4,182)	(4,046)	(3,898)	(4,033)	(4,645)	