

State of Florida



# Public Service Commission

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

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**DATE:** July 3, 2002  
**TO:** Division of Competitive Markets and Enforcement (Makin)  
**FROM:** Division of Auditing and Safety (Vandiver) *W*  
**RE:** **Docket No.** 020003-GU; **Company Name:** City Gas Company of Florida;  
**Audit Purpose:** Purchased Gas Cost Recovery True-Up for the Period  
January 2001 Through December 2001; **Audit Control No.** 02-032-4-2

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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, it should send the response to the Division of the Commission Clerk and Administrative Services. There are confidential work papers associated with this audit.

DNV/jcp  
Attachment

cc: Division of Auditing and Safety (Hoppe, District Offices, File Folder)  
Division of the Commission Clerk and Administrative Services (2)  
Division of Competitive Markets and Enforcement (Harvey)  
General Counsel  
Office of Public Counsel

Rosie Abreu  
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Hialeah, FL 33013

Ms. Gloria L. Lopez, Director  
Regulatory & Business Affairs  
City Gas Company of Florida  
955 East 25th Street  
Hialeah, FL 33013

DOCUMENT NUMBER DATE

06991 JUL-98

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**FLORIDA PUBLIC SERVICE COMMISSION**

DIVISION OF AUDITING AND SAFETY  
BUREAU OF AUDITING

*Miami District Office*

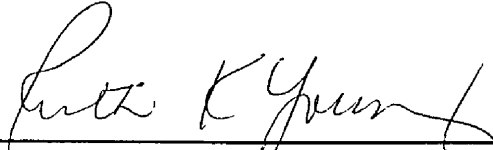
CITY GAS COMPANY

PURCHASED GAS ADJUSTMENT

TWELVE MONTHS ENDED DECEMBER 31, 2001

AUDIT CONTROL NO. 02-032-4-2

DOCKET NUMBER 020003-GU

  
\_\_\_\_\_  
*Ruth K. Young, Audit Manager*

  
\_\_\_\_\_  
*Kathy L. Welch*  
*Miami District Office Audit Supervisor*

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**DIVISION OF AUDITING AND SAFETY  
AUDITOR'S REPORT**

**June 26, 2002**

**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 for the year ending December 31, 2001. These schedules were prepared by the utility as part of its Purchased Gas Adjustment true-up filings in Docket No. 020003-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.

## 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.

**Confirmed** - Evidential matter supporting an account balance, transaction, or other information was obtained directly from an independent third party.

**Verified** - The item was tested for accuracy and compared to substantiating documentation.

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**Revenues:** The revenue amounts on the A-2 schedules were compared with the company reconciliation schedules. Traced revenues and terms to billing system summaries. Determined if the rates charged were over the cap. Recalculated customer bills for each rate class.

**Expenses:** Compiled cost of gas expenses for the 12-months ending December 31, 2001. Compared the cost of gas according to the A-2 schedules to the documentation supporting the A-2 schedules and the general ledger for all months. Examined on a judgmental basis invoices for the purchase of gas. Where the parent company allocated a portion of the gas invoice to City Gas, the allocation percents were traced to appropriate documentation. Off-system sales were examined on a judgmental basis to determine if the correct amounts were deducted from the cost of gas. Margin sharing for off-system sales was recalculated on a random basis.

**True-up and Interest:** Recalculated the true-up and interest amount for the 12-months ending December 31, 2001. Traced interest rates to the Wall Street Journal.

## **AUDIT DISCLOSURE 1**

**SUBJECT:           ADJUSTMENTS FROM AUDIT FOR YEAR END DECEMBER 31,  
                      2000**

**STATEMENT OF FACTS:** The last audit report for the PGA for the 12-months ended December 31, 2000, dated June 30, 2001 included adjustments to the ending period true-up. These adjustments decreased the underrecovery from \$5,458,499 to \$5,049,486; a difference of \$409,013. In its revised filing for January 2001, the company adjusted the beginning underrecovery balance and accounted for the adjustments from the prior audit.

## **AUDIT DISCLOSURE 2**

### **SUBJECT: GAS PURCHASED FOR THE UTILITY**

**STATEMENT OF FACTS:** City Gas does not have its own entity that purchases gas for the utility. NUI Energy Brokers (NUIEB), an affiliated company, under the direction of the Utility, will make arrangements for the purchase of gas supply on behalf of the Utility. We asked City Gas to explain what safeguards were in place to make sure the purchases by NUIEB on behalf of City Gas were allocated to the correct entity and to provide documentation to illustrate the safeguards. NUIEB also buys gas for Elizabethtown Gas Company, North Carolina Gas Company and NUIEB. City Gas explained how the Utility develops its plan to determine the quantities to purchase. This plan follows this disclosure. The company also explained the internal safeguards.

“For each purchase NUI Energy Brokers arranges on behalf of City Gas, a deal ticket is created to show the quantity, price and other details of the purchase. The deal ticket information is entered into the electronic Energy Management System (EMS) to be tracked as necessary. The EMS identifies all the details of the transaction and the entity for which it was conducted.”

During the course of our audit, we reviewed the deal tickets created for City Gas purchases for January, February and September 2001. The deal tickets quantity, and dollar amounts were agreed to the purchase invoices. Certain deal tickets include only the index on which to base the price. The indices were obtained and agreed to the price on the invoice and deal ticket.

Also, for one month we obtained the number of therms purchased from the company's Scada system which tracks the therms through City Gas gates. We tried to determine how we could compare this with the number of therms purchased for the same month. We, along with the company, could not determine a way to verify the therms purchased to the actual gas received.

It was also noted that in the months of January, February and March, City Gas purchased gas from its affiliated companies. This is addressed in Audit Disclosure No 3.

**OPINION:** It appears that the primary method to make sure that the gas purchased by the affiliate is allocated correctly to City Gas is through the deal sheets. We believe that other safeguards should be in place to corroborate this. The comparison of the therms

purchased through City Gas gates with City Gas therms purchased on the invoices and or deal sheets may be a good reasonableness test. However, time limits precluded us from determining this in this audit. It is recommended that further work be done in this area by the company and by staff to make sure that the correct amount of gas and cost of gas is allocated to the Utility.



FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

REQUEST No. 12

DRAFT

#3

- Q. If NUI Energy Brokers purchases for City Gas and NUI deregulated entities, what safeguards are in place to make sure the purchases are allocated to the correct entities? What documentation shows who the gas is purchased for?**
- A.** Each year, a winter plan is developed which establishes guidelines for gas supply and asset utilization for City Gas. On a monthly basis, set-up meetings are conducted by the utility to direct NUI Energy Brokers on how gas is to be purchased and assets utilized. Baseload gas supplies are typically acquired through the use of a reverse auction process sponsored by the East Coast Natural Gas Cooperative (ECNGC) whereby potential suppliers, who have been pre-qualified, bid against one another. The suppliers are obligated to provide gas supply at their offered price at the close of the auction but the utility is under no obligation to accept an offer. Baseload supplies are acquired both on a seasonal basis and monthly basis. Any additional supply needed is typically filled using daily swing contracts. For each purchase NUI Energy Brokers arranges on behalf of City Gas, a deal ticket is created to show the quantity, price and other details of the purchase. The deal ticket information is entered into the electronic Energy Management System (EMS) to be tracked as necessary. The EMS identifies all the details of the transaction and the entity for which it was conducted.

### AUDIT DISCLOSURE 3

#### SUBJECT: INTERCOMPANY TRANSACTIONS

**STATEMENT OF FACTS:** In the months of January, February and March 2001, City Gas purchased gas from two of its affiliates, NUI Energy Brokers (NUIEB) and Elizabethtown Gas Company (ETG).

City Gas purchased directly from ETG, and the purchases from ETG equaled the amount that ETG paid for the gas. The purchase price paid by City Gas to NUIEB was determined by a reverse auction. A detail of the transactions is included following this disclosure. This detail shows the following profit by the affiliate NUIEB.

	<i><u>NUIEB Purchase Price</u></i>	<i><u>NUIEB Sales Price to City</u></i>	<i><u>Profit</u></i>
January	\$1,697,272	\$1,802,162	\$105,341
February	\$2,771,223	\$2,784,789	13,567
March	\$1,605,063	\$1,618,258	<u>13,195</u>
		Total Profit	\$132,103

The company explained that a reverse auction occurs online. Instead of the buyers bidding up a product, the sellers bid down the price. In the above transactions, City Gas went to auction to purchase certain amounts of gas in October 2000 for January, February and March 2002. It turned out that NUIEB was the winning supplier of the auction. It was explained that in October NUIEB had no firm commitment to purchase the gas. The auction process allows City Gas to obtain a firm commitment at a firm price. NUIEB, not having a commitment, takes a risk that when it comes to supplying the gas it will be able to buy it at less or the same than it committed to City Gas so that it can make a profit or stay even. If NUIEB had to acquire the gas at a higher price than the auction price, then it would have to take the loss. The company emphasized that at auction NUIEB is no different than any other supplier, affiliated or not.

Also, in our audit of these transactions, we could not verify the purchase price paid by NUIEB for January and February. The company could not supply the index information in time to complete the audit.

**OPINION:** There are four issues which need to be addressed.

1. Should an affiliate company, NUIEB, be buying gas on behalf of City Gas Company?
2. Should the affiliate who is buying for City Gas be buying the gas from themselves even though it is at auction?

3. Are there enough safeguards to make sure that City Gas is being allocated the correct cost of gas as indicated in Disclosure 2?
4. Should NUIEB be making a profit from sales to City Gas even though it is bought at auction?

COMPANY: CITY GAS CO  
 TITLE: INTERCOMPANY TRANSACTIONS  
 PERIOD: YEAR END 12/31/01  
 DATE: JUNE 21, 2002

SUMMARY OF INTERCOMPANY TRANSACTIONS IN THE YEAR 2001

*Gas purchases reported by City Gas in January 01 and included in cost of gas on January 01 A-2 schedules.*

Start Date	End Date	Deal Number	Counter Party	Price	Quantity	Cost
<b>PURCHASES BY NUIEB</b>						
12/1/01	12/31/01	46254	Exxon	5.95100	164,765	980,517
12/1/01	12/31/01	46239	Oneok	5.97600	119,939	716,755
						1,697,272
<b>PURCHASES BY CITY FROM NUIEB</b>						
12/1/01	12/31/01	45009	CGF	6.42000	164,765	1,057,791
12/1/01	12/31/01	45010	CGF	6.21000	119,939	744,821
						1,802,612
<b>Profit to NUIEB in January</b>						<b>105,341</b>
<b>PURCHASES BY ELIZABETHTOWN GAS COMPANY</b>						
12/1/01	12/31/01	47477	Elizb. Gas	9.59000	8,000	76,720
<b>PURCHASES BY CITY FROM ELIZABETHTOWN GAS COMPANY</b>						
12/1/01	12/31/01	47476	CGF	9.59000	8,000	76,720
						0
<b>Profit to Elizabethtown in January</b>						<b>0</b>

COMPANY: CITY GAS CO  
 TITLE: INTERCOMPANY TRANSACTIONS  
 PERIOD: YEAR END 12/31/01  
 DATE: JUNE 21, 2002

SUMMARY OF INTERCOMPANY TRANSACTIONS IN THE YEAR 2001

*Gas purchases reported by City Gas in February 01 and included in cost of gas on February 01 A-2 schedules.*

Start Date	End Date	Deal Number	Counter Party	Price	Quantity	Cost
<b>PURCHASES BY NUIEB</b>						
1/1/01	1/31/01	46254	Exxon	9.91500	164,765	1,633,645
1/1/01	1/31/01	47029	Unocal	9.95500	114,272	1,137,578
						2,771,223
<b>PURCHASES BY CITY FROM NUIEB</b>						
1/1/01	1/31/01	45009	CGF	9.98000	164,765	1,644,355
1/1/01	1/31/01	45010	CGF	9.98000	114,272	1,140,435
						2,784,789
<b>Profit to NUIEB in February</b>						<b>13,567</b>
<b>PURCHASES BY ELIZABETHTOWN GAS COMPANY</b>						
1/1/01	1/1/01	47616	Elizb. Gas	9.97000	7,969	79,451
<b>PURCHASES BY CITY FROM ELIZABETHTOWN GAS COMPANY</b>						
1/1/01	1/1/01	47617	CGF	9.97000	7,969	79,451
<b>Profit to Elizabethtown in January</b>						<b>0</b>

COMPANY: CITY GAS CO  
 TITLE: INTERCOMPANY TRANSACTIONS  
 PERIOD: YEAR END 12/31/01  
 DATE: JUNE 21, 2002

SUMMARY OF INTERCOMPANY TRANSACTIONS IN THE YEAR 2001

*Gas purchases reported by City Gas in March 01 and included in cost of gas on March 01 A-2 schedules.*

Start Date	End Date	Deal Number	Counter Party	Price	Quantity	Cost
<b>PURCHASES BY NUIEB</b>						
2/01/01	2/28/01	46254	Exxon	6.22800	148,820	926,851
2/01/01	2/28/01	47903	Duke	6.26050	108,332	678,212
						----- 1,605,063
<b>PURCHASES BY CITY FROM NUIEB</b>						
2/01/01	2/28/01	45009	CGF	6.29300	148,820	936,524
2/01/01	2/28/01	45010	CGF	6.29300	108,332	681,733
						----- 1,618,258
<b>Profit to NUIEB in March</b>						13,195
<b>Total profit for year end 2001 for intercompany transactions with NUIEB</b>						----- <b>132,102</b> -----

Difference with disclosure of \$1 is rounding.

COMPANY:		COMPARISON OF ACTUAL VERSUS ORIGINAL ESTIMATE OF THE PURCHASED GAS ADJUSTMENT COST RECOVERY FACTOR						SCHEDULE A-1 (REVISED 6/08/94)	
CITY GAS COMPANY OF FLORIDA		ESTIMATED FOR THE PERIOD OF:						PAGE 1 OF 11	
== Revised 02/28/02 ==		CURRENT MONTH: 12/01		Through		DECEMBER 01			
				DIFFERENCE		PERIOD TO DATE		DIFFERENCE	
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COST OF GAS PURCHASED		ACTUAL	ORG. EST.	AMOUNT	%	ACTUAL	ORG. EST.	AMOUNT	%
1	COMMODITY (Pipeline) Includes No Notice Commodity Adjustment (Line 8 A-1 support detail)	11,672	19,039	(7,367)	(38.69)	324,481	220,407	104,074	47.22
2	NO NOTICE SERVICE RESERVATION (Line 29 A-1 support detail)	27,063	27,063	-	-	204,814	196,129	8,685	4.43
3	SWING SERVICE (Line 16 A-1 support detail)	-	-	-	-	60,351	-	60,351	-
4	COMMODITY (Other) (Line 24 A-1 support detail)	1,076,541	2,959,198	(1,882,657)	(63.62)	20,409,999	38,977,452	(18,567,453)	(47.64)
5	DEMAND (Line 25 + Line 31 A-1 support detail)	858,842	870,910	(12,068)	(1.39)	9,173,624	8,190,527	983,097	12.00
6	OTHER (Line 40 A-1 support detail)	4,602	5,742	(1,140)	(19.85)	10,949	66,575	(55,626)	(83.55)
<b>LESS END-USE CONTRACT</b>									
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-
8	DEMAND	-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10	Second Prior Month Purchase Adj (OPTIONAL)	-	-	-	-	-	-	-	-
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	1,978,720	3,881,952	(1,903,232)	(49.03)	30,184,218	47,651,086	(17,466,868)	(36.66)
12	NET UNBILLED	-	-	-	-	-	-	-	-
13	COMPANY USE (Line 40 - Page 11)	(852)	(12,329)	11,477	(93.09)	(9,291)	(155,911)	146,620	(94.04)
14	TOTAL THERM SALES	1,962,944	3,520,909	(1,557,965)	(44.25)	33,893,442	47,146,464	(13,253,022)	(28.11)
<b>THERMS PURCHASED</b>									
15	COMMODITY (Pipeline) Billing Determinants Only (Line 8 A-1 support detail)	3,108,010	4,479,750	(1,371,740)	(30.62)	100,108,110	51,860,230	48,247,880	93.03
16	NO NOTICE SERVICE RESERVATION Bill Determinants Only (Line 29 A-1 support detail)	3,007,000	3,007,000	-	-	22,757,000	21,792,000	965,000	4.43
17	SWING SERVICE Commodity (Line 16 A-1 support detail)	-	-	-	-	115,310	-	115,310	-
18	COMMODITY (Other) Commodity (Line 24 A-1 support detail)	3,165,740	4,479,750	(1,314,010)	(29.33)	42,724,764	51,860,230	(9,135,466)	(17.62)
19	DEMAND Billing Determinants Only (Line 25 + Line 31 A-1 support detail)	18,262,100	18,262,100	-	-	175,543,470	163,545,620	11,997,850	7.34
20	OTHER Commodity (Line 40 A-1 support detail)	8,197	9,200	(1,003)	(10.90)	103,769	106,676	(2,907)	(2.73)
<b>LESS END-USE CONTRACT</b>									
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (17+18+20)-(21+23)	3,173,937	4,488,950	(1,315,013)	(29.29)	42,943,843	51,966,906	(9,023,063)	(17.36)
25	NET UNBILLED	-	-	-	-	-	-	-	-
26	COMPANY USE (Line 40 - Page 11)	(1,890)	(15,000)	13,110	(87.40)	(20,061)	(180,000)	159,939	(88.86)
27	TOTAL THERM SALES (24-26 Estimated only)	3,364,269	4,473,950	(1,109,681)	(24.80)	44,606,406	51,786,906	(7,180,500)	(13.87)
<b>CENTS PER THERM</b>									
28	COMMODITY (Pipeline) (1/15)	0.00376	0.00425	(0.00049)	(11.53)	0.00324	0.00425	(0.00101)	(23.76)
29	NO NOTICE SERVICE (2/16)	0.00900	0.00900	-	-	0.00900	0.00900	-	-
30	SWING SERVICE (3/17)	-	-	-	-	0.52338	-	0.52338	-
31	COMMODITY (Other) (4/18)	0.34006	0.66057	(0.32051)	(48.52)	0.47771	0.75159	(0.27388)	(36.44)
32	DEMAND (5/19)	0.04703	0.04769	(0.00066)	(1.38)	0.05226	0.05008	0.00218	4.35
33	OTHER (6/20)	0.56142	0.62413	(0.06271)	(10.05)	0.10551	0.62409	(0.51858)	(83.09)
<b>LESS END-USE CONTRACT</b>									
34	COMMODITY Pipeline (7/21)	-	-	-	-	-	-	-	-
35	DEMAND (8/22)	-	-	-	-	-	-	-	-
36		-	-	-	-	-	-	-	-
37	TOTAL COST (11/24)	0.62343	0.86478	(0.24135)	(27.91)	0.70288	0.91695	(0.21407)	(23.35)
38	NET UNBILLED (12/25)	-	-	-	-	-	-	-	-
39	COMPANY USE (13/26)	0.45059	0.82193	(0.37134)	(45.18)	0.46315	0.86617	(0.40302)	(46.53)
40	TOTAL THERM SALES (11/27)	0.58816	0.86768	(0.27952)	(32.21)	0.67668	0.92014	(0.24346)	(26.46)
41	TRUE-UP (E-2)	0.07364	0.07364	-	-	0.07364	0.07364	-	-
42	TOTAL COST OF GAS (40+41)	0.66180	0.94132	(0.27952)	(29.69)	0.75032	0.99378	(0.24346)	(24.50)
43	REVENUE TAX FACTOR	1.00503	1.00503	-	-	1.00503	1.00503	-	-
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.66513	0.94605	(0.28092)	(29.69)	0.75409	0.99878	(0.24469)	(24.50)
45	PGA FACTOR ROUNDED TO NEAREST 001	0.665	0.946	(0.281)	(29.70)	0.754	0.999	(0.245)	(24.52)

COMPANY:		COMPARISON OF ACTUAL VERSUS FLEX-DOWN ESTIMATE OF THE PURCHASED GAS ADJUSTMENT COST RECOVERY FACTOR						SCHEDULE A-1/R (REVISED 6/08/94)	
CITY GAS COMPANY OF FLORIDA		ESTIMATED FOR THE PERIOD OF:						(Flex Down) PAGE 2 OF 11	
		JANUARY 01		Through		DECEMBER 01			
		CURRENT MONTH: 12/01		DIFFERENCE		PERIOD TO DATE		DIFFERENCE	
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
== Revised 02/28/02 ==			FLEX DOWN						
COST OF GAS PURCHASED		ACTUAL	ESTIMATE	AMOUNT	%	ACTUAL	ORG. EST.	AMOUNT	%
1	COMMODITY (Pipeline) Includes No Notice Commodity Adjustment (Line 8 A-1 support detail)	11,672	11,060	612	5.53	324,481	167,835	156,646	93.33
2	NO NOTICE SERVICE RESERVATION (Line 29 A-1 support detail)	27,063	27,063	-	-	204,814	207,348	(2,534)	(1.22)
3	SWING SERVICE (Line 16 A-1 support detail)	-	-	-	-	60,351	-	60,351	-
4	COMMODITY (Other) (Line 24 A-1 support detail)	1,076,541	1,068,348	8,193	0.77	20,409,999	23,688,994	(3,278,995)	(13.84)
5	DEMAND (Line 25 + Line 31 A-1 support detail)	858,842	858,937	(95)	(0.01)	9,173,624	9,346,258	(172,634)	(1.85)
6	OTHER (Line 40 A-1 support detail)	4,602	5,742	(1,140)	(19.85)	10,949	64,503	(53,554)	(83.03)
<b>LESS END-USE CONTRACT</b>									
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-
8	DEMAND	-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10	Second Prior Month Purchase Adj (OPTIONAL)	-	-	-	-	-	3,942,299	(3,942,299)	(100.00)
11	TOTAL COST(1+2+3+4+5+6+10)-(7+8+9)	1,978,720	1,971,150	7,570	0.38	30,184,218	37,417,237	(7,233,019)	(19.33)
12	NET UNBILLED	-	-	-	-	-	-	-	-
13	COMPANY USE (Line 40 - Page 11)	(852)	(8,178)	7,326	(89.59)	(9,291)	(144,590)	135,299	(93.57)
14	TOTAL THERM SALES	1,962,944	1,962,972	(28)	(0.00)	33,893,442	37,272,650	(3,379,208)	(9.07)
<b>THERMS PURCHASED</b>									
15	COMMODITY (Pipeline) Billing Determinants Only (Line 8 A-1 support detail)	3,108,010	3,621,162	(513,152)	(14.17)	100,108,110	45,127,942	54,980,168	121.83
16	NO NOTICE SERVICE RESERVATION Bill. Determinants Only (Line 29 A-1 support detail)	3,007,000	3,007,000	-	-	22,757,000	23,038,500	(281,500)	(1.22)
17	SWING SERVICE Commodity (Line 16 A-1 support detail)	-	-	-	-	115,310	-	115,310	-
18	COMMODITY (Other) Commodity (Line 24 A-1 support detail)	3,165,740	3,621,162	(455,422)	(12.58)	42,724,764	45,127,942	(2,403,178)	(5.33)
19	DEMAND Billing Determinants Only (Line 25 + Line 31 A-1 support detail)	18,262,100	18,262,100	-	-	175,543,470	187,682,013	(12,138,543)	(6.47)
20	OTHER Commodity (Line 40 A-1 support detail)	8,197	9,200	(1,003)	(10.90)	103,769	103,356	413	0.40
<b>LESS END-USE CONTRACT</b>									
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (17+18+20)-(21+23)	3,173,937	3,630,362	(456,425)	(12.57)	42,943,843	45,231,298	(2,287,455)	(5.06)
25	NET UNBILLED	-	-	-	-	-	-	-	-
26	COMPANY USE (Line 40 - Page 11)	(1,890)	(15,000)	13,110	-	(20,061)	(180,000)	159,939	(88.86)
27	TOTAL THERM SALES (24-26 Estimated only)	3,364,269	3,615,362	(251,093)	(6.95)	44,606,406	45,051,298	(444,892)	(0.99)
<b>CENTS PER THERM</b>									
28	COMMODITY (Pipeline) (1/15)	0.00376	0.00305	0.00071	23.28	0.00324	0.00372	(0.00048)	(12.90)
29	NO NOTICE SERVICE (2/16)	0.00900	0.00900	-	-	0.00900	0.00900	-	-
30	SWING SERVICE (3/17)	-	-	-	-	0.52338	-	0.52338	-
31	COMMODITY (Other) (4/18)	0.34006	0.29503	0.04503	15.26	0.47771	0.52493	(0.04722)	(9.00)
32	DEMAND (5/19)	0.04703	0.04703	-	-	0.05226	0.04980	0.00246	4.94
33	OTHER (6/20)	0.56142	0.62413	(0.06271)	(10.05)	0.10551	0.62409	(0.51858)	(83.09)
<b>LESS END-USE CONTRACT</b>									
34	COMMODITY Pipeline (7/21)	-	-	-	-	-	-	-	-
35	DEMAND (8/22)	-	-	-	-	-	-	-	-
36		-	-	-	-	-	-	-	-
37	TOTAL COST (11/24)	0.62343	0.54296	0.08047	14.82	0.70288	0.82724	(0.12436)	(15.03)
38	NET UNBILLED (12/25)	-	-	-	-	-	-	-	-
39	COMPANY USE (13/26)	0.45059	0.54520	(0.09461)	(17.35)	0.46315	0.80328	(0.34013)	(42.34)
40	TOTAL THERM SALES (11/27)	0.58816	0.54522	0.04294	7.88	0.67668	0.83055	(0.15387)	(18.53)
41	TRUE-UP (E-2)	0.07364	0.07364	-	-	0.07364	0.07364	-	-
42	TOTAL COST OF GAS (40+41)	0.66180	0.61886	0.04294	6.94	0.75032	0.90419	(0.15387)	(17.02)
43	REVENUE TAX FACTOR	1.00503	1.00503	-	-	1.00503	1.00503	-	-
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.66513	0.62197	0.04316	6.94	0.75409	0.90874	(0.15465)	(17.02)
45	PGA FACTOR ROUNDED TO NEAREST 001	0.665	0.622	0.043	6.91	0.754	0.909	(0.155)	(17.05)



PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION  
SCHEDULE A-1 SUPPORTING DETAIL

CITY GAS COMPANY OF FLORIDA

FOR THE PERIOD: JANUARY 01 THROUGH DECEMBER 01

CURRENT MONTH: 12/01

	(A)	(B)	(C)
COMMODITY (Pipeline)	THERMS	INV. AMOUNT	COST PER THERM
1 Commodity Pipeline - Scheduled FTS (Line 1 Page 10)	15,174,060	56,111.54	0.00370
2 Commodity Pipeline - Scheduled ITS			
3 No Notice Commodity Adjustment			
4 Commodity True-up (Line 2+3 Page 10)	(504,230)	(1,021.64)	0.00203
5 Commodity Adjustments - (Off System Sales, Company Use) (Line 38+Line 40, Pg.11)	(11,561,820)	(43,418.33)	0.00376
6 Commodity Adjustments			
7			
8 TOTAL COMMODITY (Pipeline)	3,108,010	11,671.57	0.00376
	Sched A-1 Ln 15	Sched A-1 Ln 1	Sched A-1 Ln 28
<b>SWING SERVICE</b>			
9 Swing Service Scheduled			
10 Alert Day Volumes - FGT (Line 17 Page 10)	0	0.00	#DIV/0!
11 Operational Flow Order Volumes - FGT			
12 Less Alert Day Volumes Direct Billed to Others			
13 Operating Account Balancing			
14 Other - Net market delivery imbalance			
15			
16 TOTAL SWING SERVICE	0	0.00	#DIV/0!
	Schedule A-1 Line 17	Schedule A-1 Line 3	Schedule A-1 Line 30
<b>COMMODITY OTHER</b>			
17 Commodity Other - Scheduled FTS (Therms-Line 4 Page 10), (Amt-Line 76 Page 10)	14,669,830	3,716,399.00	0.25334
18 WSS/Hattiesburg Storage			
19 Imbalance Cashout - FGT (Line 18 Page 10)	0	0.00	#DIV/0!
20 Imbalance Cashout			
21 Imbalance Cashout - Transporting Cus (Line 15 Page 11)	57,730	15,879.13	0.27506
22 True-up - Other Shippers (Line 74 Page 10)		60,276.96	
23 Less: OSS, Company Use, and Refund (Lines 38+40+41 Page 11)	(11,561,820)	(2,716,013.83)	0.23491
24 TOTAL COMMODITY (Other)	3,165,740	1,076,541.26	0.34006
	Schedule A-1 Line 18	Schedule A-1 Line 4	Schedule A-1 Line 31
<b>DEMAND</b>			
25 Demand (Pipeline) Entitlement (Line 9 Page 10)	18,262,100	853,763.39	0.04675
26 Less Relinquished to End-Users (Line 6+13 Page 9)	0	0.00	0.00000
27 Less Relinquished Off System			
28 Other - Firm winter supply			
29 Demand - No Notice (Line 16 Page 10)	3,007,000	27,063.00	0.00900
30 Revenue Sharing - FGT			
31 Other - Storage Demand (Line 32 Page 11)		5,078.58	
32 TOTAL DEMAND	21,269,100	885,904.97	0.04165
	Sched A-1 Line 19+16	Sched A-1 Line 5+2	Sched A-1 Line 32 & 29
<b>OTHER</b>			
33 Other - Monthly purchase from Peoples Gas (Line 20 Page 10)	8,197	4,602.48	0.56147
34 Peak Shaving			
35 Storage withdrawal			
36 Other			
37 Other			
38 Other			
39 Other			
40 TOTAL OTHER	8,197	4,602.48	0.56147
	Schedule A-1 Line 20	Schedule A-1 Line 6	Schedule A-1 Line 33

COMPANY:		CALCULATION OF TRUE-UP AND INTEREST PROVISION				SCHEDULE A-2			
CITY GAS COMPANY OF FLORIDA		JANUARY 01 Through DECEMBER 01				(REVISED 6/08/94)			
FOR THE PERIOD OF:						PAGE 4 OF 11			
== Revised 02/28/02 ==	CURRENT MONTH: 12/01		DIFFERENCE		PERIOD TO DATE		DIFFERENCE		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
	ACTUAL	ESTIMATE	AMOUNT	%	ACTUAL	ESTIMATE	AMOUNT	%	
<b>TRUE-UP CALCULATION</b>									
1	PURCHASED GAS COST (Sch A-1 Flx down line 4+6)	1,081,143	1,074,090	(7,053)	-0.66%	20,420,948	23,753,497	3,332,549	14.03%
2	TRANSP GAS COST (Sch A-1 Flx down line 1+2+3+5)	897,577	897,060	(517)	-0.06%	9,763,270	9,721,441	(41,829)	-0.43%
3	TOTAL	1,978,720	1,971,150	(7,570)	-0.38%	30,184,218	33,474,938	3,290,720	9.83%
4	FUEL REVENUES (Sch A-1 Flx down line 14) (NET OF REVENUE TAX)	1,962,944	1,962,972	28	0.00%	33,893,442	37,272,650	3,379,208	9.07%
5	TRUE-UP (COLLECTED) OR REFUNDED	(317,310)	(317,310)	-	0.00%	(3,807,720)	(3,807,720)	-	0.00%
6	FUEL REVENUE APPLICABLE TO PERIOD • (LINE 4 (+ or -) LINE 5)	1,645,634	1,645,662	28	0.00%	30,085,722	33,464,930	3,379,208	10.10%
7	TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(333,086)	(325,488)	7,598	-2.33%	(98,496)	(10,008)	88,488	-884.17%
8	INTEREST PROVISION-THIS PERIOD (21)	(804)	(68)	736	-1082.35%	(146,339)	(49,640)	96,699	-194.80%
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(543,221)	(51,400)	491,821	-956.85%	(5,049,486)	(3,807,718)	1,241,768	-32.61%
10	TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	317,310	317,310	-	0.00%	3,807,720	3,807,720	-	0.00%
10a	ADJUSTMENTS - To correct balance	-	24,880	24,880	---	-	24,880	24,880	---
10b	OSS 50% Margin Sharing	91,371	-	(91,371)	---	1,018,170	-	(1,018,170)	---
11	TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)	(468,430)	(34,766)	433,664	-1247.38%	(468,430)	(34,766)	433,664	-1247.38%
<b>INTEREST PROVISION</b>									
12	BEGINNING TRUE-UP AND INTEREST PROVISION (9+10a)	(543,221)	(51,400)	491,821	-956.85%				
13	ENDING TRUE-UP BEFORE INTEREST (12 + 10b + 7 - 5)	(467,626)	(34,698)	432,928	-1247.70%				
14	TOTAL (12+13)	(1,010,847)	(86,098)	924,749	-1074.07%				
15	AVERAGE (50% OF 14)	(505,424)	(43,049)	462,375	-1074.07%				
16	INTEREST RATE - FIRST DAY OF MONTH	0.02040	0.02040	-	0.00%				
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.01780	0.01780	-	0.00%				
18	TOTAL (16+17)	0.03820	0.03820	-	0.00%				
19	AVERAGE (50% OF 18)	0.01910	0.01910	-	0.00%				
20	MONTHLY AVERAGE (19/12 Months)	0.00159	0.00159	-	0.00%				
21	INTEREST PROVISION (15x20)	(804)	(68)	736	-1082.35%				

• If line 5 is a refund add to line 4  
If line 5 is a collection ( ) subtract from line 4

	CURRENT MONTH: 12/01		DIFFERENCE		TOTAL THERMS SALES		DIFFERENCE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	ACTUAL	ESTIMATE	AMOUNT	%	ACTUAL	ESTIMATE	AMOUNT	%
<b>THERM SALES (FIRM)</b>								
1 RESIDENTIAL	1,613,071	1,855,230	242,159	15.01%	20,299,572	19,391,890	(907,682)	-4.47%
2 COMMERCIAL	1,725,283	2,557,120	831,837	48.21%	23,622,274	31,359,570	7,737,296	32.75%
3 COMMERCIAL LARGE VOL. 1	-	-	-	0.00%	-	-	-	0.00%
4 COMMERCIAL LARGE VOL. 2	-	-	-	0.00%	-	-	-	0.00%
	-	-	-	0.00%	-	-	-	0.00%
5 TOTAL FIRM	3,338,354	4,412,350	1,073,996	32.17%	43,921,846	50,751,460	6,829,614	15.55%
<b>THERM SALES (INTERRUPTIBLE)</b>								
6 INTERRUPTIBLE	25,915	79,600	53,685	207.16%	684,560	955,200	270,640	39.53%
7 LARGE INTERRUPTIBLE	-	-	-	0.00%	-	-	-	0.00%
8 TRANSPORTATION	5,072,796	-	(5,072,796)	-100.00%	57,668,298	-	(57,668,298)	-100.00%
9 TOTAL INTERRUPTIBLE	5,098,711	79,600	(5,019,111)	-98.44%	58,352,858	955,200	(57,397,658)	-98.36%
10 TOTAL THERM SALES	8,437,065	4,491,950	(3,945,115)	-46.76%	102,274,704	51,706,660	(50,568,044)	-49.44%
<b>NUMBER OF CUSTOMERS (FIRM)</b>					<b>AVG. NO. OF CUSTOMERS PERIOD TO DATE</b>			
11 RESIDENTIAL	96,285	96,495	210	0.22%	95,964	95,978	14	0.01%
12 COMMERCIAL	3,820	4,350	530	13.87%	3,948	4,297	349	8.84%
13 COMMERCIAL LARGE VOL. 1	-	-	-	0.00%	-	-	-	0.00%
14 COMMERCIAL LARGE VOL. 2	-	-	-	0.00%	-	-	-	0.00%
	-	-	-	0.00%	-	-	-	0.00%
15 TOTAL FIRM	100,105	100,845	740	0.74%	99,912	100,275	363	0.36%
<b>NUMBER OF CUSTOMERS (INTERRUPTIBLE)</b>					<b>AVG. NO. OF CUSTOMERS PERIOD TO DATE</b>			
16 INTERRUPTIBLE	3	4	1	33.33%	5	4	(1)	-20.00%
17 LARGE INTERRUPTIBLE	-	-	-	0.00%	-	-	-	0.00%
18 TRANSPORTATION	1,592	-	(1,592)	-100.00%	1,401	-	(1,401)	-100.00%
19 TOTAL INTERRUPTIBLE	1,595	4	(1,591)	-99.75%	1,406	4	(1,402)	-99.72%
20 TOTAL CUSTOMERS	101,700	100,849	(851)	-0.84%	101,318	100,279	(1,039)	-1.03%
<b>THERM USE PER CUSTOMER</b>								
21 RESIDENTIAL	17	19	2	14.76%	18	17	(1)	-5.56%
22 COMMERCIAL	452	588	136	30.16%	499	608	109	21.84%
23 COMMERCIAL LARGE VOL. 1	-	-	-	0.00%	-	-	-	0.00%
24 COMMERCIAL LARGE VOL. 2	-	-	-	0.00%	-	-	-	0.00%
25 INTERRUPTIBLE	8,638	19,900	11,262	130.38%	11,409	19,900	8,491	74.42%
26 LARGE INTERRUPTIBLE	-	-	-	0.00%	-	-	-	0.00%
27 TRANSPORTATION	3,186	-	(3,186)	-100.00%	3,430	-	(3,430)	-100.00%