



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK

DATE: OCTOBER 24, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (WHEELER, E. DRAPER, 1200
SPRINGER, D. DRAPER, SLEMKEWICZ) JS
OFFICE OF THE GENERAL COUNSEL (BRUBAKER) JB WJH JDT

RE: DOCKET NO. 020470-GU - REQUEST FOR LIMITED PROCEEDING BY
INDIANTOWN GAS COMPANY FOR APPROVAL OF NATURAL GAS TARIFF,
ORIGINAL VOLUME NO. 2, IMPLEMENTING RESTRUCTURED RATES.

AGENDA: 11/5/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 5-MONTH STATUTORY DEADLINE WAIVED BY COMPANY

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020470.RCM

CASE BACKGROUND

On May 24, 2002, Indiantown Gas Company (Indiantown or the utility) filed a Request for Approval of Natural Gas Tariff, Original Volume No. 2, Implementing Restructured Rates, and for Establishment of Authorized Return on Equity. By separate petition filed on May 24, 2002, Indiantown also requested approval to transfer all of its remaining sales customers to transportation-only service. This petition is addressed in No. 020471-GU. Staff's recommendation in Docket No. 020471-GU is also scheduled to be considered at the November 5, 2002, Agenda Conference.

Indiantown has requested that the petition be processed pursuant to the Commission's proposed agency action procedure pursuant to Section 366.06(4), Florida Statutes. By letter dated June 12, 2002, Indiantown agreed to waive the 60-day statutory file and suspend date for the proposed tariff revisions submitted with

DOCUMENT NUMBER DATE

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its petition, pursuant to Section 366.06(3), Florida Statutes. By letter received October 1, 2002, Indiantown waived the five-month statutory deadline for action on a petition for Proposed Agency Action, pursuant to Section 366.06(4), Florida Statutes.

On July 11, 2002, the Commission staff convened a customer meeting in Indiantown to hear and respond to customer testimony and questions related to the utility's petition. No customers chose to speak at the customer meeting.

The Commission has authority to consider this matter pursuant to Section 366.06, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: What are the appropriate restructured rates and rate classes for Indiantown?

RECOMMENDATION: The appropriate restructured rates and rate classes are shown in Attachment 2. The proposed rates and rate classes should be approved only if the Commission approves Indiantown's request to transfer all of its customers to transportation-only service in Docket No. 020471-GU. (WHEELER, E. DRAPER, SPRINGER)

STAFF ANALYSIS: With its petition, Indiantown has submitted a new tariff (Original Volume No. 2) that is intended to replace the existing tariff in its entirety. The new tariff contains Indiantown's requested restructured rates, and also incorporates its proposal to provide transportation-only service to all customers and to exit the merchant function.

Rate Restructuring

Indiantown has never had a rate case before the Commission, and its rates have remained essentially unchanged since 1985, when its rate structure was modified to eliminate declining block rates. Indiantown currently serves two large industrial customers that represent about 95% of the therm sales of the company. One of these customers, a citrus processing plant, is currently a transportation-only customer, and the remaining large customer, a cogeneration facility, is planning to transfer to transportation-only service in the near future. Indiantown also serves approximately 600 residential and 25 commercial customers that represent the remaining 5% of total therm sales.

The proposed restructured rates are intended to be revenue neutral to Indiantown's existing rates. This means that the new rates will recover no more revenues than Indiantown's existing rates, based on the test year billing determinants. In support of its restructured rates, Indiantown filed with its petition a cost of service study using a 2001 historic test year.

The stated reasons for Indiantown's rate restructuring are to move the various customer classes toward parity (i.e., to move the rates of return of the individual rate classes closer to the system rate of return), and to address the potential threat of bypass by

Indiantown's two large industrial gas users. The overall system rate of return will remain unchanged after the rate restructuring. However, the rates charged to various classes of service will change. Rates for residential and commercial customers will increase, while rates for large industrial customers will decrease.

The recommended reallocation of Indiantown's revenues to the rate classes is shown in Attachment 1. As shown in the attachment, the reallocation results in rates of return for each class that are equal to the system rate of return, based on the cost of service study filed by Indiantown. The restructured rates that result from the allocation of revenues are shown on Attachment 2. Attachment 3 contains monthly bill comparisons between Indiantown's existing rates and staff's recommended restructured rates.

Staff's recommended restructured rates differ in two respects from those originally proposed by Indiantown. First, due to the correction of minor errors in the calculation of the revenues that Indiantown's current rates produce, the staff's recommended rates are slightly lower than those proposed by Indiantown. Indiantown filed a revised cost of service study that reflects the lower rates.

Second, staff is recommending a lower customer charge (and thus a higher energy charge) for the TS-1 rate class than that proposed by Indiantown. Currently, Indiantown's residential customers pay a \$5.00 customer charge, and under Indiantown's proposed TS-1 rate class they would pay \$10.75. Because the customer charge represents a large proportion of residential customers' bills (particularly for low-use customers), staff believes that the proposed customer charge increase is excessive. Staff therefore recommends that the TS-1 customer charge be set at \$9.00. Staff believes that this is reasonable, given that the residential customer charges for the remaining Florida investor-owned gas utilities range from \$7.00 to \$10.00.

Changes to Rate Classes

In conjunction with its restructuring of rates, Indiantown has proposed to redefine its rate classes based on usage characteristics, rather than the current classification that utilizes end-use application (i.e., Residential, Commercial and Industrial).

The new rate classifications are transportation-only schedules, consistent with Indiantown's intention to exit the gas merchant function, and thus contain no reference to the Purchased Gas Adjustment charge. The schedules are designated Transportation Service 1 through 5, and are defined in terms of annual therm usage. For example, the newly created TS-1 rate is applicable to all customers who use up to 1,000 therms per year, regardless of whether the usage is residential or commercial in nature. The proposed new rate classes and their corresponding existing rate classes are shown on Attachment 2.

Conclusion

Staff has carefully reviewed the cost of service methodology, as well as the revenue calculation and billing determinants, and believes that they are reasonable for use in determining the restructuring of Indiantown's rates. Staff believes that the recommended restructured rates shown in Attachment 2 will achieve the goal of more closely aligning the rates of its customers with the actual cost to serve them. In addition, the restructuring will help to insure the retention of Indiantown's existing industrial load, the loss of which would necessitate large rate increases to the remaining customers.

ISSUE 2: What is the appropriate effective date for Indiantown's restructured rates?

RECOMMENDATION: The restructured rates should become effective for meter readings on or after December 5, 2002. (WHEELER)

STAFF ANALYSIS: If the Commission approves the restructured rates at its November 5, 2002 Agenda Conference, the rates should become effective for meter readings on or after December 5, 2002.

ISSUE 3: Should the Commission grant Indiantown Gas Company's request to establish an authorized return on equity of 11.50%?

RECOMMENDATION: Yes. For all regulatory purposes, the Commission should grant Indiantown Gas Company's request for an authorized return on equity (ROE) of 11.50% with a range of plus or minus 100 basis points. In addition, the Commission should limit the Company's ratio of common equity as a percentage of investor sources of capital to 60%. (D. DRAPER)

STAFF ANALYSIS: At present, Indiantown does not have an authorized ROE. In its petition, Indiantown requests that the Commission establish an ROE of 11.50%. The Company believes that by establishing an ROE it will be easier to make a financial comparison with the other Florida gas utilities. The Company states in its petition that:

[t]his proposed ROE is a fair, just, reasonable, and compensatory rate in light of the competitive market conditions in which the Company conducts its business, is consistent with the rates of return currently in effect for other natural gas public utilities subject to the Commission's regulation, and will give the Company the 'opportunity to earn a reasonable rate of return on its rate base' as required by Section 366.041, Florida Statute.

As justification for its request, the Company cites the recent rate cases involving two other Florida natural gas public utilities whose ROEs were set at 11.50% (St. Joe Natural Gas Company, Order No. PSC-01-1274-PAA-GU, issued June 8, 2001 in Docket No. 001447-GU; and Chesapeake Utilities, Order No. PSC-00-2263-FOF-GU, issued November 28, 2000, in Docket No. 000108-GU). Like Indiantown, both of these utilities have relatively small customer bases and usage patterns that are dominated by the throughput of a small number of large industrial customers.

Based upon recent Commission decisions, staff believes that an authorized ROE of 11.50% would be a reasonable return for Indiantown. Staff recommends that in order to facilitate the Commission's earnings surveillance function with respect to Indiantown's financial operations, and in the interest of regulatory efficiency and cost savings, the Commission grant the Company's request for an authorized ROE of 11.50%. However, it

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should be noted that if this docket went to hearing, staff would not necessarily recommend an ROE of 11.50%.

In the recent St. Joe rate case, the Commission included a common equity ratio cap of 60%. In addition, in both the Chesapeake and City Gas rate cases, both companies had common equity ratios under 60%. Staff calculates a common equity ratio by dividing common equity by the total sum of investor sources of capital. Investor sources of capital include common equity, preferred stock, long-term, and short-term debt. Staff believes that it is prudent and reasonable to limit Indiantown's ratio of common equity as a percentage of investor sources of capital to 60%.

Staff notes that in this proceeding the 11.50% ROE will not be used in setting rates, but will be used for all other regulatory purposes. Therefore, customers will not be impacted at this time. As stated above, staff recommends that for all regulatory purposes except for setting rates in this docket, that the Commission grant Indiantown's request for an authorized ROE of 11.50% with a range of plus or minus 100 basis points. In addition, staff recommends that the Commission limit the Company's common equity ratio to not more than 60%. The effective date of the authorized ROE and common equity ratio cap should be one day after the Consummating Order has been issued in this docket.

ISSUE 4: Should Indiantown Gas Company be required to refund the overcollection of regulatory assessment fees for the period January 1, 1999, through July 31, 2002?

RECOMMENDATION: Yes, Indiantown should be required to refund the overcollection of regulatory assessment fees. The amounts to be refunded, including interest through September 30, 2002, are \$2,010.63 to Caulkins Indiantown Citrus, \$5,650.76 to Indiantown Cogeneration and \$1,133.36 to Indiantown's residential and commercial customers. The refund amounts due to Caulkins Indiantown Citrus and Indiantown Cogeneration should be refunded directly to those customers. For the residential and commercial customers, the amount should be refunded as a per therm credit on the customer's bill determined by dividing the amount of the refund by the estimated therm sales for the billing period during which the refund will be credited to the customers' bills. Interest should continue to accrue through the end of the month preceding the month during which the refund is made. (SLEMKEWICZ)

STAFF ANALYSIS: Beginning January 1, 1999, and extending through July 31, 2002, Indiantown inappropriately collected the regulatory assessment fee through a separate line item consolidated surcharge on its customers' bills. The consolidated surcharge included both the regulatory assessment fee and the gross receipts tax, as well as a tax gross-up factor. While it is permissible to bill the non-base rate portion of the gross receipts tax as a surcharge on the bill, regulatory assessment fees are properly recovered through base rates. This over-collection applies only to the base rate portion of the customer's bill because the Purchased Gas Adjustment (PGA) factor on the bills was not grossed up for either the regulatory assessment fee or the gross receipts tax.

Indiantown provided a calculation of the amount of the regulatory assessment fee overcollection for the January 1999 through July 2002 period. The amounts were provided on an individual customer basis for Indiantown's two large interruptible customers and on a consolidated basis for its residential and commercial customers. Staff then calculated the amount of interest associated with the overcollections by using the appropriate monthly commercial paper rates as provided for in Rule 25-7.091, Florida Administrative Code.

Staff recommends that Indiantown refund the overcollections due to Caulkins Indiantown Citrus (\$1,878.53 plus \$132.09 interest)

and Indiantown Cogeneration (\$5,109.61 plus \$541.14 interest) either directly by check or by a credit on the bill. Staff believes that a customer of record refund based on actual consumption for the residential and commercial customers would be overly burdensome for Indiantown. Instead, Staff recommends that the residential and commercial customer refund (\$1,054.39 plus \$78.97 interest) be refunded as a per therm credit determined by dividing the amount of the refund by the estimated therm sales for the billing period during which the refund will be credited to the customers' bills. Interest should continue to accrue through the end of the month preceding the month during which the refund is made.

ISSUE 5: Should this docket be closed?

RECOMMENDATION: Yes. If a protest is filed within 21 days of the Commission Order approving this tariff by a person whose substantial interests are affected, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. (BRUBAKER)

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission Order approving this tariff by a person whose substantial interests are affected, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.

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**INDIANTOWN GAS COMPANY
RATE RESTRUCTURING
DOCKET NO. 020470-GU**

**TOTAL REVENUE IMPACT BY RATE CLASS
BASED ON 12 MONTHS ENDED: 12/31/2001**

ATTACHMENT 1

RATE CODE	RATE SCHEDULE	PRESENT REVENUE	PRESENT RATE OF RETURN	PROPOSED REVENUE	REVENUE INCREASE	PERCENT INCREASE	PROPOSED RATE OF RETURN
TS-1	TRANSPORTATION SERVICE 1	\$51,347	-29.50%	\$101,401	\$50,054	97.48%	-3.49%
TS-2	TRANSPORTATION SERVICE 2	\$6,841	-26.31%	\$9,187	\$2,346	34.30%	-3.49%
TS-3	TRANSPORTATION SERVICE 3	\$2,053	-18.20%	\$2,394	\$341	16.59%	-3.49%
TS-4	TRANSPORTATION SERVICE 4	\$107,363	3.41%	\$97,912	(\$9,451)	-8.80%	-3.49%
TS-5	TRANSPORTATION SERVICE 5	\$252,727	8.47%	\$209,438	(\$43,289)	-17.13%	-3.49%
	TOTAL	<u>\$420,331</u>	<u>-3.49%</u>	<u>\$420,332</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>-3.49%</u>

NOTE: REVENUES DO NOT INCLUDE COST OF GAS

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INDIANTOWN GAS COMPANY
STAFF-RECOMMENDED RESTRUCTURED RATES
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ATTACHMENT 2

RATE SCHEDULE	PRESENT RATE	STAFF-RECOMMENDED RESTRUCTURED RATE
<u>TRANSPORTATION SERVICE 1 (TS-1) *</u>		
<i>(Residential) **</i>		
CUSTOMER CHARGE (per month)	\$5.00	\$9.00
ENERGY CHARGE (cents/therm)	6.632	13.770
<i>(Commercial) **</i>		
CUSTOMER CHARGE (per month)	\$10.00	\$9.00
ENERGY CHARGE (cents/therm)	6.166	13.770
<u>TRANSPORTATION SERVICE 2 (TS-2) *</u>		
<i>(Commercial) **</i>		
CUSTOMER CHARGE (per month)	\$10.00	\$21.00
ENERGY CHARGE (cents/therm)	6.166	6.206
<u>TRANSPORTATION SERVICE 3 (TS-3) *</u>		
<i>(Commercial) **</i>		
CUSTOMER CHARGE (per month)	\$10.00	\$50.00
ENERGY CHARGE (cents/therm)	6.166	5.562
<u>TRANSPORTATION SERVICE 4 (TS-4) *</u>		
<i>(Firm Local Transportation Service) **</i>		
CUSTOMER CHARGE (per month)	\$1,200.00	\$1,500.00
ENERGY CHARGE (cents/therm)	4.520	3.754
<u>TRANSPORTATION SERVICE 5 (TS-5) *</u>		
<i>(Large Interruptible) **</i>		
CUSTOMER CHARGE (per month)	\$4,500.00	\$5,500.00
ENERGY CHARGE (cents/therm)	4.520	3.181

* Proposed new rate class.

** Current rate class.

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**INDIANTOWN GAS COMPANY
 BILL COMPARISON
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ATTACHMENT 3
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TRANSPORTATION SERVICE 1 (TS-1)
 (Residential Comparison)
 (0 - 1,000 therms per year)
 Average Usage: 24 therms per month

PRESENT RATES

Customer Charge
\$5.00

Non-Fuel Energy Charge
(Cents per Therm)

6.632

Gas Cost (Cents per Therm): 37.000

**STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES**

Customer Charge
\$9.00

Non-Fuel Energy Charge
(Cents per Therm)

13.770

Therm Usage Increment: 5

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$5.00	\$5.00	\$9.00	\$9.00	80.00%	80.00%	\$4.00
5	\$5.33	\$7.18	\$9.69	\$11.54	81.72%	60.67%	\$4.36
10	\$5.66	\$9.36	\$10.38	\$14.08	83.24%	50.34%	\$4.71
15	\$5.99	\$11.54	\$11.07	\$16.62	84.58%	43.92%	\$5.07
20	\$6.33	\$13.73	\$11.75	\$19.15	85.79%	39.54%	\$5.43
25	\$6.66	\$15.91	\$12.44	\$21.69	86.88%	36.36%	\$5.78
30	\$6.99	\$18.09	\$13.13	\$24.23	87.86%	33.95%	\$6.14
35	\$7.32	\$20.27	\$13.82	\$26.77	88.76%	32.06%	\$6.50
40	\$7.65	\$22.45	\$14.51	\$29.31	89.58%	30.53%	\$6.86
45	\$7.98	\$24.63	\$15.20	\$31.85	90.33%	29.28%	\$7.21
50	\$8.32	\$26.82	\$15.89	\$34.39	91.02%	28.23%	\$7.57
55	\$8.65	\$29.00	\$16.57	\$36.92	91.65%	27.33%	\$7.93
60	\$8.98	\$31.18	\$17.26	\$39.46	92.24%	26.57%	\$8.28
65	\$9.31	\$33.36	\$17.95	\$42.00	92.79%	25.90%	\$8.64
70	\$9.64	\$35.54	\$18.64	\$44.54	93.30%	25.31%	\$9.00
75	\$9.97	\$37.72	\$19.33	\$47.08	93.78%	24.79%	\$9.35
80	\$10.31	\$39.91	\$20.02	\$49.62	94.22%	24.33%	\$9.71
85	\$10.64	\$42.09	\$20.70	\$52.15	94.64%	23.92%	\$10.07

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**INDIANTOWN GAS COMPANY
 BILL COMPARISON
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**TRANSPORTATION SERVICE 1 (TS-1)
 (Commercial Comparison)
 (0 - 1,000 therms per year)**

PRESENT RATES

Customer Charge
\$10.00

Non-Fuel Energy Charge
(Cents per Therm)
6.166

Gas Cost (Cents per Therm): 37.000

**STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES**

Customer Charge
\$9.00

Non-Fuel Energy Charge
(Cents per Therm)
13.770

Therm Usage Increment: 5

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$10.00	\$10.00	\$9.00	\$9.00	-10.00%	-10.00%	(\$1.00)
5	\$10.31	\$12.16	\$9.69	\$11.54	-6.01%	-5.10%	(\$0.62)
10	\$10.62	\$14.32	\$10.38	\$14.08	-2.26%	-1.67%	(\$0.24)
15	\$10.92	\$16.47	\$11.07	\$16.62	1.29%	0.85%	\$0.14
20	\$11.23	\$18.63	\$11.75	\$19.15	4.64%	2.80%	\$0.52
25	\$11.54	\$20.79	\$12.44	\$21.69	7.81%	4.33%	\$0.90
30	\$11.85	\$22.95	\$13.13	\$24.23	10.81%	5.58%	\$1.28
35	\$12.16	\$25.11	\$13.82	\$26.77	13.66%	6.62%	\$1.66
40	\$12.47	\$27.27	\$14.51	\$29.31	16.38%	7.49%	\$2.04
45	\$12.77	\$29.42	\$15.20	\$31.85	18.96%	8.23%	\$2.42
50	\$13.08	\$31.58	\$15.89	\$34.39	21.42%	8.87%	\$2.80
55	\$13.39	\$33.74	\$16.57	\$36.92	23.76%	9.43%	\$3.18
60	\$13.70	\$35.90	\$17.26	\$39.46	26.00%	9.92%	\$3.56
65	\$14.01	\$38.06	\$17.95	\$42.00	28.15%	10.36%	\$3.94
70	\$14.32	\$40.22	\$18.64	\$44.54	30.20%	10.75%	\$4.32
75	\$14.62	\$42.37	\$19.33	\$47.08	32.16%	11.10%	\$4.70
80	\$14.93	\$44.53	\$20.02	\$49.62	34.04%	11.41%	\$5.08
85	\$15.24	\$46.69	\$20.70	\$52.15	35.85%	11.70%	\$5.46

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07/31/2002

- Excludes conservation cost recovery charges, local taxes, franchise fees, and gross receipts taxes.
- Gas Cost effective September 2002.

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INDIANTOWN GAS COMPANY
BILL COMPARISON
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ATTACHMENT 3
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TRANSPORTATION SERVICE 2 (TS-2)
 (1,000 - 25,000 therms per year)
 Average Usage: 484 therms per month

PRESENT RATES

STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES

Customer Charge
 \$10.00

Customer Charge
 \$21.00

Non-Fuel Energy Charge
 (Cents per Therm)
 6.166

Non-Fuel Energy Charge
 (Cents per Therm)
 6.206

Gas Cost (Cents per Therm): 37

Therm Usage Increment: 50

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
80	\$14.93	\$44.53	\$25.96	\$55.56	73.88%	24.77%	\$11.03
130	\$18.02	\$66.12	\$29.07	\$77.17	61.35%	16.72%	\$11.05
180	\$21.10	\$87.70	\$32.17	\$98.77	52.48%	12.63%	\$11.07
230	\$24.18	\$109.28	\$35.27	\$120.37	45.87%	10.15%	\$11.09
280	\$27.26	\$130.86	\$38.38	\$141.98	40.76%	8.49%	\$11.11
330	\$30.35	\$152.45	\$41.48	\$163.58	36.68%	7.30%	\$11.13
380	\$33.43	\$174.03	\$44.58	\$185.18	33.36%	6.41%	\$11.15
430	\$36.51	\$195.61	\$47.69	\$206.79	30.60%	5.71%	\$11.17
480	\$39.60	\$217.20	\$50.79	\$228.39	28.26%	5.15%	\$11.19
530	\$42.68	\$238.78	\$53.89	\$249.99	26.27%	4.70%	\$11.21
580	\$45.76	\$260.36	\$56.99	\$271.59	24.54%	4.31%	\$11.23
630	\$48.85	\$281.95	\$60.10	\$293.20	23.04%	3.99%	\$11.25
680	\$51.93	\$303.53	\$63.20	\$314.80	21.71%	3.71%	\$11.27
730	\$55.01	\$325.11	\$66.30	\$336.40	20.53%	3.47%	\$11.29
780	\$58.09	\$346.69	\$69.41	\$358.01	19.47%	3.26%	\$11.31
830	\$61.18	\$368.28	\$72.51	\$379.61	18.52%	3.08%	\$11.33
880	\$64.26	\$389.86	\$75.61	\$401.21	17.67%	2.91%	\$11.35
930	\$67.34	\$411.44	\$78.72	\$422.82	16.89%	2.76%	\$11.37
980	\$70.43	\$433.03	\$81.82	\$444.42	16.18%	2.63%	\$11.39
1,030	\$73.51	\$454.61	\$84.92	\$466.02	15.52%	2.51%	\$11.41

- Excludes conservation cost recovery charges, local taxes, franchise fees, and gross receipts taxes.

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INDIANTOWN GAS COMPANY
 BILL COMPARISON
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ATTACHMENT 3
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TRANSPORTATION SERVICE 3 (TS-3)
 (25,000 - 100,000 therms per year)
 Average Usage: 2,687 therms per month

PRESENT RATES

Customer Charge
 \$10.00

Non-Fuel Energy Charge
(Cents per Therm)
 6.166

STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES

Customer Charge
 \$50.00

Non-Fuel Energy Charge
(Cents per Therm)
 5.562

Gas Cost (Cents per Therm): 37

Therm Usage Increment: 500

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
1,000	\$71.66	\$441.66	\$105.62	\$475.62	47.39%	7.69%	\$33.96
1,500	\$102.49	\$657.49	\$133.43	\$688.43	30.19%	4.71%	\$30.94
2,000	\$133.32	\$873.32	\$161.24	\$901.24	20.94%	3.20%	\$27.92
2,500	\$164.15	\$1,089.15	\$189.05	\$1,114.05	15.17%	2.29%	\$24.90
3,000	\$194.98	\$1,304.98	\$216.86	\$1,326.86	11.22%	1.68%	\$21.88
3,500	\$225.81	\$1,520.81	\$244.67	\$1,539.67	8.35%	1.24%	\$18.86
4,000	\$256.64	\$1,736.64	\$272.48	\$1,752.48	6.17%	0.91%	\$15.84
4,500	\$287.47	\$1,952.47	\$300.29	\$1,965.29	4.46%	0.66%	\$12.82
5,000	\$318.30	\$2,168.30	\$328.10	\$2,178.10	3.08%	0.45%	\$9.80
5,500	\$349.13	\$2,384.13	\$355.91	\$2,390.91	1.94%	0.28%	\$6.78
6,000	\$379.96	\$2,599.96	\$383.72	\$2,603.72	0.99%	0.14%	\$3.76
6,500	\$410.79	\$2,815.79	\$411.53	\$2,816.53	0.18%	0.03%	\$0.74
7,000	\$441.62	\$3,031.62	\$439.34	\$3,029.34	-0.52%	-0.08%	(\$2.28)
7,500	\$472.45	\$3,247.45	\$467.15	\$3,242.15	-1.12%	-0.16%	(\$5.30)
8,000	\$503.28	\$3,463.28	\$494.96	\$3,454.96	-1.65%	-0.24%	(\$8.32)
8,500	\$534.11	\$3,679.11	\$522.77	\$3,667.77	-2.12%	-0.31%	(\$11.34)
9,000	\$564.94	\$3,894.94	\$550.58	\$3,880.58	-2.54%	-0.37%	(\$14.36)
9,500	\$595.77	\$4,110.77	\$578.39	\$4,093.39	-2.92%	-0.42%	(\$17.38)
10,000	\$626.60	\$4,326.60	\$606.20	\$4,306.20	-3.26%	-0.47%	(\$20.40)
10,500	\$657.43	\$4,542.43	\$634.01	\$4,519.01	-3.56%	-0.52%	(\$23.42)

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- Gas Cost effective September 2002.

DOCKET NO. 020470
 DATE: October 24, 2002

INDIANTOWN GAS COMPANY
 BILL COMPARISON
 DOCKET NO. 020470-GU

ATTACHMENT 3
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TRANSPORTATION SERVICE 4 (TS-4)
 (100,000 - 3,000,000 therms per year)
 Average Usage: 177,381 therms per month

PRESENT RATES

Customer Charge
 \$1,200

Non-Fuel Energy Charge
 (Cents per Therm)
 4.52

Gas Cost (Cents per Therm): 37

STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES

Customer Charge
 \$1,500

Non-Fuel Energy Charge
 (Cents per Therm)
 3.754

Therm Usage Increment: 13,000

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase (Reduction)
7,000	\$1,516.40	\$4,106.40	\$1,762.78	\$4,352.78	16.25%	6.00%	\$246.38
20,000	\$2,104.00	\$9,504.00	\$2,250.80	\$9,650.80	6.98%	1.54%	\$146.80
33,000	\$2,691.60	\$14,901.60	\$2,738.82	\$14,948.82	1.75%	0.32%	\$47.22
46,000	\$3,279.20	\$20,299.20	\$3,226.84	\$20,246.84	-1.60%	-0.26%	(\$52.36)
59,000	\$3,866.80	\$25,696.80	\$3,714.86	\$25,544.86	-3.93%	-0.59%	(\$151.94)
72,000	\$4,454.40	\$31,094.40	\$4,202.88	\$30,842.88	-5.65%	-0.81%	(\$251.52)
85,000	\$5,042.00	\$36,492.00	\$4,690.90	\$36,140.90	-6.96%	-0.96%	(\$351.10)
98,000	\$5,629.60	\$41,889.60	\$5,178.92	\$41,438.92	-8.01%	-1.08%	(\$450.68)
111,000	\$6,217.20	\$47,287.20	\$5,666.94	\$46,736.94	-8.85%	-1.16%	(\$550.26)
124,000	\$6,804.80	\$52,684.80	\$6,154.96	\$52,034.96	-9.55%	-1.23%	(\$649.84)
137,000	\$7,392.40	\$58,082.40	\$6,642.98	\$57,332.98	-10.14%	-1.29%	(\$749.42)
150,000	\$7,980.00	\$63,480.00	\$7,131.00	\$62,631.00	-10.64%	-1.34%	(\$849.00)
163,000	\$8,567.60	\$68,877.60	\$7,619.02	\$67,929.02	-11.07%	-1.38%	(\$948.58)
176,000	\$9,155.20	\$74,275.20	\$8,107.04	\$73,227.04	-11.45%	-1.41%	(\$1,048.16)
189,000	\$9,742.80	\$79,672.80	\$8,595.06	\$78,525.06	-11.78%	-1.44%	(\$1,147.74)
202,000	\$10,330.40	\$85,070.40	\$9,083.08	\$83,823.08	-12.07%	-1.47%	(\$1,247.32)
215,000	\$10,918.00	\$90,468.00	\$9,571.10	\$89,121.10	-12.34%	-1.49%	(\$1,346.90)
228,000	\$11,505.60	\$95,865.60	\$10,059.12	\$94,419.12	-12.57%	-1.51%	(\$1,446.48)
241,000	\$12,093.20	\$101,263.20	\$10,547.14	\$99,717.14	-12.78%	-1.53%	(\$1,546.06)
254,000	\$12,680.80	\$106,660.80	\$11,035.16	\$105,015.16	-12.98%	-1.54%	(\$1,645.64)

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 DATE: October 24, 2002

INDIANTOWN GAS COMPANY
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ATTACHMENT 3
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TRANSPORTATION SERVICE 5 (TS-5)
 (Greater than 3,000,000 therms per year)
 Average Usage: 375,774 therms per month

PRESENT RATES

Customer Charge
\$4,500

Non-Fuel Energy Charge
 (Cents per Therm)
4.520

Gas Cost (Cents per Therm): **37**

**STAFF
 RECOMMENDED
 RESTRUCTURED
 RATES**

Customer Charge
\$5,500

Non-Fuel Energy Charge
 (Cents per Therm)
3.181

Therm Usage Increment: **25,000**

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Recommended Monthly Bill w/o Fuel	Recommended Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase (Reduction)
225,000	\$14,670	\$97,920	\$12,657	\$95,907	-13.72%	-2.06%	(\$2,013)
250,000	\$15,800	\$108,300	\$13,453	\$105,953	-14.86%	-2.17%	(\$2,348)
275,000	\$16,930	\$118,680	\$14,248	\$115,998	-15.84%	-2.26%	(\$2,682)
300,000	\$18,060	\$129,060	\$15,043	\$126,043	-16.71%	-2.34%	(\$3,017)
325,000	\$19,190	\$139,440	\$15,838	\$136,088	-17.47%	-2.40%	(\$3,352)
350,000	\$20,320	\$149,820	\$16,634	\$146,134	-18.14%	-2.46%	(\$3,687)
375,000	\$21,450	\$160,200	\$17,429	\$156,179	-18.75%	-2.51%	(\$4,021)
400,000	\$22,580	\$170,580	\$18,224	\$166,224	-19.29%	-2.55%	(\$4,356)
425,000	\$23,710	\$180,960	\$19,019	\$176,269	-19.78%	-2.59%	(\$4,691)
450,000	\$24,840	\$191,340	\$19,815	\$186,315	-20.23%	-2.63%	(\$5,026)
475,000	\$25,970	\$201,720	\$20,610	\$196,360	-20.64%	-2.66%	(\$5,360)
500,000	\$27,100	\$212,100	\$21,405	\$206,405	-21.01%	-2.69%	(\$5,695)
525,000	\$28,230	\$222,480	\$22,200	\$216,450	-21.36%	-2.71%	(\$6,030)
550,000	\$29,360	\$232,860	\$22,996	\$226,496	-21.68%	-2.73%	(\$6,365)
575,000	\$30,490	\$243,240	\$23,791	\$236,541	-21.97%	-2.75%	(\$6,699)
600,000	\$31,620	\$253,620	\$24,586	\$246,586	-22.25%	-2.77%	(\$7,034)
625,000	\$32,750	\$264,000	\$25,381	\$256,631	-22.50%	-2.79%	(\$7,369)
650,000	\$33,880	\$274,380	\$26,177	\$266,677	-22.74%	-2.81%	(\$7,704)
675,000	\$35,010	\$284,760	\$26,972	\$276,722	-22.96%	-2.82%	(\$8,038)
700,000	\$36,140	\$295,140	\$27,767	\$286,767	-23.17%	-2.84%	(\$8,373)

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