

VOTE SHEET

FEBRUARY 3, 2004

RE: Docket No. 030954-GU - Petition for rate increase by Indiantown Gas Company.

ISSUE 1: Should the request for a permanent increase in rates and charges be suspended for Indiantown?
RECOMMENDATION: Yes. Staff recommends that the requested permanent increase in rates and charges of \$306,751 be suspended for Indiantown.

APPROVED

ISSUE 2: Is Indiantown's proposed interim test year rate base of \$642,589 appropriate?
RECOMMENDATION: No. The appropriate interim test year rate base for Indiantown is \$572,394.

APPROVED

- AUS
CAF
CMP
COM
CTR
ECR
GCL
OPC
MMS
SEC
OTH

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of majority commissioners on lines.

Empty lines for dissenting signatures.

REMARKS/DISSENTING COMMENTS:

Commissioner Jaber participated in the conference by telephone. She agreed with/dissented from the majority vote and will sign the vote sheet upon return to the office.

DOCUMENT NUMBER DATE

01621 FEB-4 8

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ISSUE 3: Is Indiantown's proposed interim test year net operating income of (\$27,273) appropriate?
RECOMMENDATION: No. The appropriate interim test year net operating income for Indiantown is (\$57,415).

APPROVED

ISSUE 4: Are Indiantown's proposed return on equity of 10.50% and overall cost of capital of 9.14% appropriate for purposes of determining interim rates?
RECOMMENDATION: Yes and no. While the appropriate return on equity for purposes of determining interim rates is 10.50%, the appropriate overall cost of capital is 9.10%.

APPROVED

ISSUE 5: Is Indiantown's proposed interim revenue expansion factor of 1.6114 appropriate?
RECOMMENDATION: No. The appropriate revenue expansion factor is 1.2512.

APPROVED

ISSUE 6: Should Indiantown's requested interim revenue increase of \$138,602 be granted?
RECOMMENDATION: No. After making the above adjustments, the interim revenue increase for Indiantown should be \$137,014.

APPROVED

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ISSUE 7: How should the interim revenue increase for Indiantown be distributed among the rate classes?

RECOMMENDATION: Any interim revenue increase approved should be applied evenly across the board to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, and should be recovered on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the vote approving any interim increase. The Company should give notice to customers of the interim increase commencing with the first bill for service that reflects the increase.

APPROVED

ISSUE 8: What is the appropriate security to guarantee the amount collected subject to refund?

RECOMMENDATION: The appropriate security to guarantee the funds collected subject to refund is an irrevocable letter of credit, a surety bond, or an escrow agreement. With respect to these three forms of security, staff recommends Indiantown pursue the method that is least expensive for the Company.

APPROVED

ISSUE 9: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open to process the revenue increase request of the Company.

APPROVED