

# INDIANTOWN

Gas company, inc.



CLEAN AND EFFICIENT NATURAL GAS AND PROPANE GAS FOR ALL YOUR ENERGY NEEDS

February 12, 2008

Mr. John Slemkewicz  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0865

08 FEB 15 PM 3:34  
REGISTRATION

RE: Indiantown Gas Company Earnings Surveillance Report

Dear Mr. Slemkewicz:

Enclosed please find the Earnings Surveillance Report for the period ending **December 31, 2007** for Indiantown Gas Company. If you should have any questions or concerns please let me know. Thank you.

Sincerely,

Melissa M. Powers  
Chief Financial Officer  
Indiantown Gas Company

**Indiantown Gas Company**

**Earnings Surveillance Report**

**Period Ending: December 31, 2007**

RATE OF RETURN REPORT SUMMARY  
12/31/07

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$36,196	\$4,035	\$40,231	\$0	\$40,231
AVERAGE RATE BASE	\$355,670	\$159,508	\$515,178	\$0	\$515,178
AVERAGE RATE OF RETURN	10.18%		7.81%		7.81%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$36,196	\$3,774	\$39,970	\$0	\$39,970
YEAR-END RATE BASE	\$316,994	\$158,538	\$475,532	\$0	\$475,532
YEAR-END RATE OF RETURN	11.42%		8.41%		8.41%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	9.03%		A.	INCL COMP RATE ADJ REVENUES	7.71%
MIDPOINT	9.47%		B.	EXCL COMP RATE ADJ REVENUES	7.71%
HIGH	9.91%				

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Melissa Powers  
Chief Financial Officer

*Melissa M. Powers*  
Signature

2-12-08  
Date

INDIANTOWN GAS COMPANY

AVERAGE RATE OF RETURN  
FOR THE THIRTEEN MONTHS ENDED 12/31/07  
RATE BASE

SCHEDULE 2  
PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$1,179,266	(\$638,987)	\$540,279	\$0	\$10,046	\$560,325	(\$194,655)	\$355,670
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
			\$0			\$0		\$0
			\$0			\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$223,155	\$223,155
COMMON PLANT - NON-UTILITY OPERATIONS	(\$121,765)	\$58,117	(\$63,647)			(\$63,647)		(\$63,647)
TOTAL FPSC ADJUSTMENTS	(\$121,765)	\$58,117	(\$63,647)	\$0	\$0	(\$63,647)	\$223,155	\$159,508
FPSC ADJUSTED	\$1,057,502	(\$580,870)	\$476,632	\$0	\$10,046	\$486,678	\$28,500	\$515,178
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,057,502	(\$580,870)	\$476,632	\$0	\$10,046	\$486,678	\$28,500	\$515,178
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$1,057,502	(\$580,870)	\$476,632	\$0	\$10,046	\$486,678	\$28,500	\$515,178

INDIANTOWN GAS COMPANY

AVERAGE RATE OF RETURN  
FOR THE THIRTEEN MONTHS ENDED 12/31/07  
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$526,174	\$0	\$406,709	\$53,243	\$23,839	\$6,387	\$0	\$0	\$0	\$489,978	\$36,196
FPSC ADJUSTMENTS:											
1) Cleaning Expenses			\$0			\$0				\$0	\$0
2) Employee Uniforms			\$0			\$0				\$0	\$0
3) CEO Car Repairs			\$0			\$0				\$0	\$0
4) Non-Utility Common Expense Allocations			\$0			\$0				\$0	\$0
5) Indirect A&G Salaries			\$0			\$0				\$0	\$0
6) AAA & YMCA Membership Dues			\$0			\$0				\$0	\$0
7) Unallocated CFO Salary			\$0			\$0				\$0	\$0
8) Employee Activities			\$0			\$0				\$0	\$0
9) Eliminate Entertainment Expenses			\$0			\$0				\$0	\$0
10) Eliminate Life Insurance Expense			(\$1,081)			\$213				(\$869)	\$869
11) AGA Dues			\$0			\$0				\$0	\$0
12) Advertising Expense			\$0			\$0				\$0	\$0
13) Eliminate Charitable Contributions			\$0			\$0				\$0	\$0
14) Non-utility Property Taxes			\$0		\$0	\$0				\$0	\$0
15) Interest Synchronization					\$0	\$3,583				\$3,583	(\$3,583)
16) Depreciation Expense - Common Plant				(\$8,403)		\$1,653				(\$6,750)	\$8,750
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	(\$1,081)	(\$8,403)	\$0	\$5,449	\$0	\$0	\$0	(\$4,035)	\$4,035
FPSC ADJUSTED	\$526,174	\$0	\$405,628	\$44,840	\$23,839	\$11,837	\$0	\$0	\$0	\$485,943	\$40,231
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$526,174	\$0	\$405,628	\$44,840	\$23,839	\$11,837	\$0	\$0	\$0	\$485,943	\$40,231
PRO FORMA REVENUE INCREASE & ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$526,174	\$0	\$405,628	\$44,840	\$23,839	\$11,837	\$0	\$0	\$0	\$485,943	\$40,231

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN  
FOR THE YEAR ENDED 12/31/07  
RATE BASE

SCHEDULE 3  
PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$1,196,784	(\$863,514)	\$533,270	\$0	\$9,594	\$542,864	(\$225,870)	\$316,994
FPSC ADJUSTMENTS:								
	0	\$0	\$0	\$0		\$0		\$0
	0	\$0	\$0	\$0		\$0		\$0
	0	\$0	\$0	\$0		\$0		\$0
ELIMINATIONS TO WORKING CAPITAL							\$221,491	\$221,491
COMMON PLANT - NON-UTILITY OPERATIONS	(\$124,863)	\$81,911	(\$62,953)			(\$62,953)		(\$62,953)
TOTAL FPSC ADJUSTMENTS	<u>(\$124,863)</u>	<u>\$81,911</u>	<u>(\$62,953)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$62,953)</u>	<u>\$221,491</u>	<u>\$158,538</u>
FPSC ADJUSTED	\$1,071,921	(\$601,603)	\$470,317	\$0	\$9,594	\$479,912	(\$4,379)	\$475,532
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	<u>\$1,071,921</u>	<u>(\$601,603)</u>	<u>\$470,317</u>	<u>\$0</u>	<u>\$9,594</u>	<u>\$479,912</u>	<u>(\$4,379)</u>	<u>\$475,532</u>
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
PRO FORMA ADJUSTED	<u>\$1,071,921</u>	<u>(\$601,603)</u>	<u>\$470,317</u>	<u>\$0</u>	<u>\$9,594</u>	<u>\$479,912</u>	<u>(\$4,379)</u>	<u>\$475,532</u>

INDIANTOWN GAS COMPANY

YEAR END RATE OF RETURN  
FOR THE YEAR ENDED 12/31/07  
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$528,174	\$0	\$406,709	\$53,243	\$23,639	\$8,387	\$0	\$0	\$0	\$489,978	\$38,196
FPSC ADJUSTMENTS:											
1) Cleaning Expenses			\$0			\$0				\$0	\$0
2) Employee Uniforms			\$0			\$0				\$0	\$0
3) CEO Car Repairs			\$0			\$0				\$0	\$0
4) Non-Utility Common Expense Allocations			\$0			\$0				\$0	\$0
5) Indirect A&G Salaries			\$0			\$0				\$0	\$0
6) AAA & YMCA Membership Dues			\$0			\$0				\$0	\$0
7) Unallocated CFO Salary			\$0			\$0				\$0	\$0
8) Employee Activities			\$0			\$0				\$0	\$0
9) Eliminate Entertainment Expenses			\$0			\$0				\$0	\$0
10) Eliminate Life Insurance Expense			(\$1,081)			\$213				(\$869)	\$869
11) AGA Dues			\$0			\$0				\$0	\$0
12) Advertising Expense			\$0			\$0				\$0	\$0
13) Eliminate Charitable Contributions			\$0			\$0				\$0	\$0
14) Non-utility Property Taxes					\$0	\$0				\$0	\$0
15) Interest Synchronization						\$3,844				\$3,844	(\$3,844)
16) Depreciation Expense - Common Plant				(\$8,403)		\$1,853				(\$6,750)	\$8,750
17) Depreciation Expense - pre-1970 Plant						\$0				\$0	\$0
18) Depreciation Expense - New Hope Subdivision						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	(\$1,081)	(\$8,403)	\$0	\$5,710	\$0	\$0	\$0	(\$3,774)	\$3,774
FPSC ADJUSTED	\$528,174	\$0	\$405,628	\$44,840	\$23,639	\$12,097	\$0	\$0	\$0	\$486,204	\$39,970
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$528,174	\$0	\$405,628	\$44,840	\$23,639	\$12,097	\$0	\$0	\$0	\$486,204	\$39,970
PRO FORMA REVENUE INCREASE & ANNUALIZATION ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$528,174	\$0	\$405,628	\$44,840	\$23,639	\$12,097	\$0	\$0	\$0	\$486,204	\$39,970

INDIANTOWN GAS COMPANY

CAPITAL STRUCTURE  
12/31/07  
FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$407,933	(\$181,817)		\$228,316	\$0	\$228,316	43.93%	10.50%	4.61%	11.50%	5.05%	12.50%	5.49%
LONG TERM DEBT	\$500,608	(\$222,877)		\$277,731	\$0	\$277,731	53.91%	7.88%	4.25%	7.88%	4.25%	7.88%	4.25%
SHORT TERM DEBT	\$0	\$0		\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$20,062	(\$8,932)		\$11,130		\$11,130	2.16%	7.68%	0.17%	7.68%	0.17%	7.68%	0.17%
TOTAL AVERAGE	\$928,603	(\$413,426)	\$0	\$515,178	\$0	\$515,178	100.00%		9.03%		9.47%		9.91%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$379,083	(\$174,900)		\$204,183		\$204,183	42.94%	10.50%	4.51%	11.50%	4.94%	12.50%	5.37%
LONG TERM DEBT	\$483,964	(\$223,289)		\$260,674		\$260,674	54.82%	7.92%	4.34%	7.92%	4.34%	7.92%	4.34%
SHORT TERM DEBT	\$0	\$0		\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$19,818	(\$9,144)		\$10,674		\$10,674	2.25%	7.77%	0.17%	7.77%	0.17%	7.77%	0.17%
TOTAL YEAR-END	\$882,865	(\$407,333)	\$0	\$475,532	\$0	\$475,532	100.00%		9.02%		9.45%		9.88%

EARNED RETURN ON COMMON EQUITY  
 FPSC ADJUSTED BASIS  
 12/31/07

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY  
 INCLUDING CRA REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.81%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	4.25%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.17%
		<hr/>
	SUBTOTAL	4.42%
TOTAL		3.39%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		43.93%
JURISDICTIONAL RETURN ON COMMON EQUITY		<u>7.71%</u>

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY  
 EXCLUDING CRA REVENUES

NET OPERATING INCOME EXCLUDING CRA REVENUES	\$40,231	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING CRA REVENUES	<u>\$515,178</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.81%	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
	WEIGHTED COST RATES FOR:	
	LONG TERM DEBT	4.25%
	SHORT TERM DEBT	0.00%
	CUSTOMER DEPOSITS	0.17%
		<hr/>
	SUBTOTAL	4.42%
TOTAL		3.39%
DIVIDED BY RECONCILED COMMON EQUITY RATIO		43.93%
JURISDICTIONAL RETURN ON COMMON EQUITY		<u>7.71%</u>

# WORKSHEETS

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: INDIANTOWN GAS COMPANY

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE YEAR END  
 WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:  
 12/31/07

LINE NO.	DESCRIPTION	YEAR END PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT AND ACCRUED ASSETS</u>						
1	Cash	67,122	(22,660)			44,441
2	A/R - Natural Gas	40,189				40,189
3	A/R - Propane	122,469	(122,469)			0
4	A/R - Transporter Fuel	25,982			(25,982)	0
5	Employee Receivable	4,220			(4,220)	0
6	Propane Inventory	31,854	(31,854)			0
7	Appliance Inventory	39,983	(39,983)			0
8	A/C Inventory	0	0			0
9	Inventory	7,798	(7,798)			0
10	Capital parts Inventory	5,498				5,498
11	Prepaid Federal Income Tax	1,384				1,384
12	Prepaid State Income Tax	0				0
13	Suspense Account	(16,889)			16,889	0
14						
15	Non-utility Plant	405,812	(405,812)			0
16	Non-Utility Plant - A/D	(248,017)	248,017			0
17						
18						
19						
20						
21						
22	<b>TOTAL CURRENT ASSETS</b>	<b>486,964</b>	<b>(382,160)</b>	<b>0</b>	<b>(13,292)</b>	<b>91,512</b>
<u>DEFERRED DEBITS</u>						
23	Deferred Debit - TCR	0				0
24	Deferred Debit - Rate Case	0			0	0
25	Deferred Debit - Odorant	0				0
26	Deferred Debit - Meter Changeout	0				0
27						
28						
29						
30						
31						
32						
33						
34	<b>TOTAL DEFERRED DEBITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
35	<b>TOTAL CURRENT AND DEFERRED ASSETS</b>	<b>486,964</b>	<b>(382,160)</b>	<b>0</b>	<b>(13,292)</b>	<b>91,512</b>

WORKING CAPITAL

PAGE 2 OF 2

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: INDIANTOWN GAS COMPANY

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE YEAR END  
 WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:  
 12/31/07

LINE NO.	DESCRIPTION	YEAR END PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT LIABILITIES</u>						
1	Accounts Payable	133,607	(45,146)			88,461
2	Transporter Fuel Payable	18,502				0
3	Customer Deposits - Natural	20,073		(20,073)	(18,502)	0
4	Customer Deposits - Propane	22,370	(22,370)			0
5	State Sales Tax Payable	0				0
6	Accrued Fed. Unemployment Tax	26				26
7	Accrued FICA - Company	0				0
8	Accrued FICA - Employee	0				0
9	Federal Withholding	0				0
10	Accrued Medicare - Company	0				0
11	Accrued Medicare - Employee	0				0
12	Accrued Gross Receipts Tax	1,822				1,822
13	Accrued Utility Assessment Fee	1,237				1,237
14	401(k) Liability	4,920				4,920
15	Accrued Interest	(375)				(375)
16	<b>TOTAL CURRENT LIABILITIES</b>	<b>201,982</b>	<b>(67,516)</b>	<b>(20,073)</b>	<b>(18,502)</b>	<b>95,892</b>
<u>DEFERRED CREDITS AND OPERATING RESERVES</u>						
17	Notes Payable	497,853		(497,853)		0
18	Deferred Payroll	13,000			(13,000)	0
19	PGA Over/Under Recovery	0			0	0
20						
21						
22						
23						
24						
25						
26						
27	<b>TOTAL DEFERRED CREDITS AND OPERATING RESERVES</b>	<b>510,853</b>	<b>0</b>	<b>(497,853)</b>	<b>(13,000)</b>	<b>0</b>
28	<b>TOTAL LIABILITIES</b>	<b>712,834</b>	<b>(67,516)</b>	<b>(517,926)</b>	<b>(31,502)</b>	<b>95,892</b>
29	<b>TOTAL ASSETS LESS LIABILITIES</b>	<b>(225,870)</b>	<b>(314,644)</b>	<b>517,926</b>	<b>18,209</b>	<b>(4,379)</b>
30	<b>NET WORKING CAPITAL INCLUDED IN RATE BASE (SCHEDULE)</b>	<b>(225,870)</b>	<b>(314,644)</b>	<b>517,926</b>	<b>18,209</b>	<b>(4,379)</b>

WORKING CAPITAL

PAGE 1 OF 2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE 13-MONTH AVERAGE  
WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:  
12/31/07

COMPANY: INDIANTOWN GAS COMPANY

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT AND ACCRUED ASSETS</u>						
1	Cash	67,122	(22,680)			44,441
2	A/R - Natural Gas	28,828				28,828
3	A/R - Propane	105,871	(105,871)			0
4	A/R - Transporter Fuel	43,440			(43,440)	0
5	Employee Receivable	4,158			(4,158)	0
6	Propane Inventory	29,884	(29,884)			0
7	Appliance Inventory	25,583	(25,583)			0
8	A/C Inventory	0	0			0
9	Inventory	6,985	(6,985)			0
10	Capital parts Inventory	5,920				5,920
11	Prepaid Federal Income Tax	1,384				1,384
12	Prepaid State Income Tax	0				0
13	Suspense Account	(15,433)			15,433	0
14						
15	Non-utility Plant	392,957	(392,957)			0
16	Non-Utility Plant - A/D	(240,642)	240,642			0
17						
18						
19						
20						
21						
22	<b>TOTAL CURRENT ASSETS</b>	<b>455,456</b>	<b>(342,919)</b>	<b>0</b>	<b>(32,186)</b>	<b>80,372</b>
<u>DEFERRED DEBITS</u>						
23	Deferred Debit - TCR	0				0
24	Deferred Debit - Rate Case	7,488			(7,488)	0
25	Deferred Debit - Odorant	0				0
26	Deferred Debit - Meter Changeout	1,606				1,606
27						
28						
29						
30						
31						
32						
33						
34	<b>TOTAL DEFERRED DEBITS</b>	<b>9,094</b>	<b>0</b>	<b>0</b>	<b>(7,488)</b>	<b>1,606</b>
35	<b>TOTAL CURRENT AND DEFERRED ASSETS</b>	<b>464,550</b>	<b>(342,919)</b>	<b>0</b>	<b>(39,654)</b>	<b>81,978</b>

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE CALCULATING THE 13-MONTH AVERAGE  
WORKING CAPITAL ALLOWANCE FOR THE HISTORIC BASE YEAR.

TYPE OF DATA SHOWN:  
12/31/07

COMPANY: INDIANTOWN GAS COMPANY

LINE NO.	DESCRIPTION	AVERAGE PER BOOKS	ADJUSTMENT			ADJUSTED AVERAGE
			NON UTILITY	CAPITAL STRUCTURE	OTHER	
<u>CURRENT LIABILITIES</u>						
1	Accounts Payable	70,108	(23,689)			46,417
2	Transporter Fuel Payable	21,005			(21,005)	0
3	Customer Deposits - Natural	20,082		(20,082)		0
4	Customer Deposits - Propane	23,364	(23,364)			0
5	State Sales Tax Payable	814				814
6	Accrued Fed. Unemployment Tax	138				138
7	Accrued FICA - Company	312				312
8	Accrued FICA - Employee	312				312
9	Federal Withholding	851				851
10	Accrued Medicare - Company	81				81
11	Accrued Medicare - Employee	81				81
12	Accrued Gross Receipts Tax	(803)				(803)
13	Accrued Utility Assessment Fee	885				885
14	401(k) Liability	4,199				4,199
15	Accrued Interest	191				191
16	TOTAL CURRENT LIABILITIES	141,598	(47,053)	(20,082)	(21,005)	53,478
<u>DEFERRED CREDITS AND OPERATING RESERVES</u>						
17	Notes Payable	500,808		(500,808)		0
18	Deferred Payrol	17,000			(17,000)	0
19	PGA Over/Under Recovery	0			0	0
20						
21						
22						
23						
24						
25						
26						
27	TOTAL DEFERRED CREDITS AND OPERATING RESERVES	517,808	0	(500,808)	(17,000)	0
28	TOTAL LIABILITIES	859,205	(47,053)	(520,870)	(38,005)	53,478
29	TOTAL ASSETS LESS LIABILITIES	(194,655)	(295,866)	520,870	(1,849)	28,500
30	NET WORKING CAPITAL INCLUDED IN RATE BASE (SCHEDULE)	(194,655)	(295,866)	520,870	(1,849)	28,500

Indiantown Gas Company  
Cash Adjustment

Dec-04	\$49,879
Jan-05	\$60,935
Feb-05	\$58,212
Mar-05	\$53,651
Apr-05	\$50,350
May-05	\$102,696
Jun-05	\$64,583
Jul-05	63901.44
Aug-05	80947.94
Sep-05	74403.76
Oct-05	116764.53
Nov-05	63442.12
Dec-05	171403.03
Jan-06	43076.24
Feb-06	55938.11
Mar-06	7750.94
Apr-06	53751.31
May-06	59031
Jun-06	36873.61
Jul-06	13692.83
Aug-06	35165.15
Sep-06	34361.95
Oct-06	57849.81
Nov-06	57795.81
Dec-06	58557.26
Jan-07	75136.97
Feb-07	100913.92
Mar-07	92683.28
Apr-07	48357.91
May-07	64161.5
Jun-07	102264.77
Jul-07	65073.02
Aug-07	43779.73
Sep-07	63436.6
Oct-07	57100.64
Nov-07	93011.53
Dec-07	85452.56
<b>36 Month Total</b>	<b>\$2,416,384</b>
<b>36 Month Average</b>	<b>\$67,122</b>

**ALLOCATION OF COMMON PLANT**

		<u>PLANT</u>		
<u>Acct. #</u>	<u>Acct. Name</u>	<u>13 Mo. Avg.</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$12,500	33.79%	\$4,224
390	Structures & Improvements	\$171,895	33.79%	\$58,083
391.4	Computer Equipment	\$31,342	33.79%	\$10,581
391.2	Office Furniture	\$27,774	33.79%	\$9,385
392	Transportation Equipment	\$93,510	33.79%	\$31,587
394	Tools, Shop & Garage	\$5,928	0.00%	\$0
396	Power Operated Equipment	\$35,784	0.00%	\$0
397	Communications Equipment	\$3,633	33.79%	\$1,227
398	Other Equipment	\$13,647	33.79%	\$4,611
399	Computer Software	\$6,056	33.79%	\$2,046
<b>Total Common Plant</b>		<b>\$402,077</b>		<b>\$121,765</b>

		<u>ACCUMULATED DEPRECIATION</u>		
<u>Acct. #</u>	<u>Acct. Name</u>	<u>13 Mo. Avg.</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	(\$37,294)	33.79%	(\$12,602)
391.4	Computer Equipment	(\$30,770)	33.79%	(\$10,397)
391.2	Office Furniture	(\$9,721)	33.79%	(\$3,285)
392	Transportation Equipment	(\$85,930)	33.79%	(\$29,036)
394	Tools, Shop & Garage	(\$3,298)	0.00%	\$0
396	Power Operated Equipment	(\$9,273)	0.00%	\$0
397	Communications Equipment	(\$2,788)	33.79%	(\$942)
398	Other Equipment	(\$2,875)	33.79%	(\$904)
399	Computer Software	(\$2,818)	33.79%	(\$952)
<b>Total Common Plant</b>		<b>(\$184,586)</b>		<b>(\$58,117)</b>

		<u>DEPRECIATION</u>		
<u>Acct. #</u>	<u>Acct. Name</u>	<u>Depreciation</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	\$4,655	33.79%	\$1,573
391.4	Computer Equipment	\$655	33.79%	\$221
391.2	Office Furniture	\$1,504	33.79%	\$508
392	Transportation Equipment	\$14,993	33.79%	\$5,066
394	Tools, Shop & Garage	\$327	0.00%	\$0
396	Power Operated Equipment	\$2,559	0.00%	\$0
397	Communications Equipment	\$327	33.79%	\$110
398	Other Equipment	\$1,478	33.79%	\$500
399	Computer Software	\$1,256	33.79%	\$424
<b>Total Common Plant</b>		<b>\$27,765</b>		<b>\$8,403</b>

<b>PLANT</b>				
<u>Acct. #</u>	<u>Acct. Name</u>	<u>Year End</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$12,500	33.79%	\$4,224
390	Structures & Improvements	\$171,895	33.79%	\$58,083
391.4	Computer Equipment	\$34,258	33.79%	\$11,578
391.2	Office Furniture	\$27,774	33.79%	\$9,385
392	Transportation Equipment	\$93,510	33.79%	\$31,597
394	Tools, Shop & Garage	\$5,926	0.00%	\$0
396	Power Operated Equipment	\$35,794	0.00%	\$0
397	Communications Equipment	\$3,633	33.79%	\$1,227
398	Other Equipment	\$13,647	33.79%	\$4,611
399	Computer Software	\$12,311	33.79%	\$4,160
<b>Total Common Plant</b>		<b>\$411,248</b>		<b>\$124,863</b>

<b>ACCUMULATED DEPRECIATION</b>				
<u>Acct. #</u>	<u>Acct. Name</u>	<u>Year End</u>	<u>Percent Non-Utility</u>	<u>Non-Utility Adjustment</u>
389	Land	\$0	33.79%	\$0
390	Structures & Improvements	(\$39,443)	33.79%	(\$13,328)
391.4	Computer Equipment	(\$30,795)	33.79%	(\$10,406)
391.2	Office Furniture	(\$10,415)	33.79%	(\$3,519)
392	Transportation Equipment	(\$92,850)	33.79%	(\$31,374)
394	Tools, Shop & Garage	(\$3,449)	0.00%	\$0
396	Power Operated Equipment	(\$10,454)	0.00%	\$0
397	Communications Equipment	(\$2,939)	33.79%	(\$993)
398	Other Equipment	(\$3,358)	33.79%	(\$1,135)
399	Computer Software	(\$3,423)	33.79%	(\$1,157)
<b>Total Common Plant</b>		<b>(\$197,125)</b>		<b>(\$61,911)</b>

\* Percentages are from the rate case adjustments per PSC

INDIANTOWN GAS COMPANY

INCOME TAX ADJUSTMENTS

	Year Ending 12/31/2007		Average 13 Months Ended 12/31/2007	
Rate Base	\$473,961		\$513,606	
Less: Interest on LTD	\$20,570	4.34%	\$21,828	4.25%
Interest on STD	\$0	0.00%	\$0	0.00%
Int. on Cust. Dep.	\$806	0.17%	\$873	0.17%
 Imputed Int. Deduction	 <u>\$21,376</u>		 <u>\$22,701</u>	
 Interest per books	 \$40,984		 \$40,984	
Difference	\$19,608		\$18,282	
Times effective tax rate	0.19675		0.19675	15% Tax Bracket
 Interest synchronization adjustment	 <u>\$3,858</u>		 <u>\$3,597</u>	

Tax Brackets

Revenue	1.000	< 50,000	15.00%
State Tax Rate	0.055	50,001 - 75,000	25.00%
Subject to Fed Tax	0.945	75,001 - 100,000	34.00%
Fed Tax Rate	0.150	100,001 - 500,000	35.00%
Result	0.14175		
 Combined Fed & State	 0.19675		

