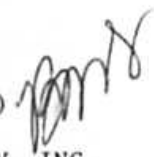


MEMORANDUM

January 13, 1995

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (SALAK) 

RE: DOCKET NO. 950003-GU -- ST. JOE NATURAL GAS COMPANY, INC.
PGA AUDIT REPORT - PERIOD ENDED SEPTEMBER 30, 1994
AUDIT CONTROL NO. 94-158-1-1

The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit working papers are available for review on request. There are confidential working papers associated with this audit.

Please forward a complete copy of this report to:

St. Joe Natural Gas Company
Stuart Shoaf
P. O. Box 549
Port St. Joe, FL 32456-0549

BWS/sp

Attachment

cc: Chairman Deason
Commissioner Clark
Commissioner Johnson
Commissioner Kiesling
Commissioner Garcia
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Mailhot/Causseaux/
File Folder)
Division of Electric and Gas (Makin)
Tallahassee District Office

Office of Public Counsel

DOCUMENT NUMBER-DATE

00462 JAN 13 95

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

TWELVE MONTHS ENDED SEPTEMBER 30, 1994

FIELD WORK COMPLETED

JANUARY 11, 1995

ST. JOE NATURAL GAS COMPANY, INC.

PORT ST. JOE, FLORIDA

GULF COUNTY

PURCHASE GAS ADJUSTMENT AUDIT

DOCKET NUMBER 950003-GU

AUDIT CONTROL NUMBER 94-158-1-1


NANCY L. GAFFNEY
AUDIT MANAGER


BETH SALAK
TALLAHASSEE

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II. AUDIT SCOPE

This report is based on the audit work described below. When used in this section of the report, **COMPILED** defines completed audit work as:

COMPILED: Reconciled exhibit amounts to the general ledger; visually scanned general ledger accounts; investigated or disclosed observed errors, irregularities or inconsistencies. Except as noted, no other audit work was performed.

PURCHASED GAS REVENUES: Recalculated PGA and Conservation revenues based upon therm sales and allowed FPSC rates; and traced recalculated values to utility filings with the Commission.

PURCHASE GAS EXPENSES: **COMPILED** purchased gas expenses reported; obtained copies of supporting invoices and agreed invoice amounts to books of the company and company filings; and traced purchased gas payments to a wire transfer or canceled check.

OTHER: Recompute company true-up for the audited period; agreed reported interest rates to FPSC maintained amounts; and agreed beginning true-up to the last FPSC PGA Audit.

COMPANY: St. Joe Natural Gas Co. CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2

FOR THE MONTH OF: OCTOBER Through MARCH

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATE	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATE	DIFFERENCE AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST - PIPELINE	0	0	0	ERR	35,288	35,288	0	0.00
2 PURCHASED GAS COST - TRANSPORTATION	703,381	558,624	(144,758)	-0.21	3,974,768	3,814,639	(160,129)	-0.04
3 PURCHASED GAS COST - TOTAL	703,381	558,624	(144,758)	-0.21	4,010,055	3,849,926	(160,129)	-0.04
4 FUEL REVENUES (NET OF REVENUE TAX)	618,462	558,624	(59,839)	-0.10	4,073,300	3,932,982	(140,318)	-0.03
5 TRUE UP PROVISION	(1,699)	(1,699)	0	0.00	(10,196)	(10,196)	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	616,763	556,924	(59,839)	-0.10	4,063,104	3,922,786	(140,318)	-0.03
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(86,619)	(1,699)	84,919	-0.98	53,049	72,859	19,811	0.37
8 INTEREST PROVISION-THIS PERIOD	116	46	(69)	-0.60	455	39	(416)	-0.91
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	80,928	15,472	(65,456)	-0.81	(67,576)	(67,576)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	1,699	1,699	0	0.00	10,196	10,196	0	0.00
10a FLEX RATE REFUND (IF APPLICABLE)	0	0	0	ERR	0	0	0	ERR
11 TOTAL ESTIMATED/ACTUAL TRUE-UP	(3,876)	15,518	19,394	-5.00	(3,876)	15,518	19,394	-5.00
INTEREST PROVISION								
12 BEGINING TRUE-UP AND INTEREST PROVISION (7)	80,928	15,472	(65,456)	-0.81				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(3,992)	15,472	19,463	-4.88				
14 TOTAL (12+13)	76,936	30,944	(45,992)	-0.60				
15 AVERAGE (50% OF 14)	38,468	15,472	(22,996)	-0.60				
16 INTEREST RATE - FIRST DAY OF MONTH	3.52	3.52	0	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	3.69	3.69	0	0.00				
18 TOTAL (16+17)	7.21	7.21	0	0.00				
19 AVERAGE (50% OF 18)	3.605	3.605	0	0.00				
20 MONTHLY AVERAGE (19/12 Months)	0.30042	0.30042	0	0.00				
21 INTEREST PROVISION (15x20)	116	46	(69)	-0.60				

COMPANY: ST JOE NATURAL GAS CO CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2
(REVISED 5/10/93)

FOR THE PERIOD OF: APRIL 04 Through MARCH 05

	CURRENT MONTH:		SEPTEMBER		PERIOD TO DATE				
	ACTUAL	ESTIMATE	DIFFERENCE		ACTUAL	ESTIMATE	DIFFERENCE		
			AMOUNT	%			AMOUNT	%	
TRUE-UP CALCULATION									
1 PURCHASED GAS COST	LINE 4	\$300,324	\$317,934	17,610	0.06	\$2,477,420	\$2,156,299	(319,122)	-0.15
2 TRANSPORTATION COST	LINE(1+5+6-(7+8))	\$79,352	\$66,393	9,041	0.10	\$569,611	\$1,070,001	500,470	0.47
3 TOTAL		\$379,676	\$406,327	26,651	0.07	\$3,047,031	\$3,226,379	181,348	0.06
4 FUEL REVENUES (NET OF REVENUE TAX)		\$379,623	\$406,327	26,704	0.07	\$3,015,662	\$3,226,379	212,716	0.07
5 TRUE-UP(COLLECTED) OR REFUNDED		\$2,576	\$2,576	0	0.00	\$15,453	\$15,453	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD * (LINE 4 (+ or -) LINE 5)		\$382,199	\$406,903	26,704	0.07	\$3,031,115	\$3,243,833	212,718	0.07
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 5)		\$2,523	\$2,576	53	0.02	(\$15,916)	\$15,453	31,369	2.03
8 INTEREST PROVISION-THIS PERIOD (21)		(\$146)	\$65	211	3.24	(\$367)	\$345	731	2.12
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST		(\$35,433)	\$15,798	51,231	3.24	(\$3,676)	\$15,518	19,394	1.25
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)		(\$2,576)	(\$2,576)	0	0.00	(\$15,453)	(\$15,453)	0	0.00
10a FLEX RATE REFUND (If applicable)		\$0	\$0	0	ERR	\$0	\$0	0	ERR
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)		(\$35,632)	\$15,663	51,495	3.25	(\$35,632)	\$15,663	51,495	3.25
INTEREST PROVISION									
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)		(\$35,433)	15,798	51,231	3.24				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)		(\$35,466)	15,798	51,264	3.25				
14 TOTAL (12+13)		(70,920)	31,595	102,515	3.24				
15 AVERAGE (50% OF 14)		(\$35,460)	15,798	51,258	3.24				
16 INTEREST RATE - FIRST DAY OF MONTH		4.02	4.02	0.00	0.00				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH		5.04	5.04	0.00	0.00				
18 TOTAL (16+17)		9.06	9.06	0.00	0.00				
19 AVERAGE (50% OF 18)		4.93	4.93	0.00	0.00				
20 MONTHLY AVERAGE (19/12 Months)		0.41	0.41	0.00	0.00				
21 INTEREST PROVISION (15x20)		(146)	65	211	3.24				

* If line 6 is a refund add to line 4
If line 6 is a collection () subtract from line 4

State of Florida



Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA

DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYO
DIRECTOR
(904) 488-8371

Public Service Commission

January 17, 1995

Mr. Stuart Shoaf
St. Joe Natural Gas Company
Post Office Box 549
Port St. Joe, FL 32456-0549

Dear Mr. Shoaf:

RE: Docket No. 950003-GU - St. Joe Natural Gas Company
PGA Audit Report - Period Ended September 30, 1994

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above date will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,

Blanca S. Bayo
Blanca S. Bayo

BSB/kes

Enclosure

cc: Public Counsel