

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

12 MONTHS ENDED SEPTEMBER 30, 1997

FIELD WORK COMPLETED

DECEMBER 6, 1997

ST. JOE NATURAL GAS COMPANY, INC.

PORT ST. JOE, FLORIDA

GULF COUNTY

CONSERVATION AUDIT

DOCKET NUMBER - 970002-EG

AUDIT CONTROL NUMBER 97-161-1-1

Mark Caruth

MARK CARUTH
AUDIT MANAGER

Rhonda L. Hicks

RHONDA HICKS
REGULATORY ANALYST SUPERVISOR
TALLAHASSEE DISTRICT OFFICE

DOCUMENT NUMBER-DATE

12895 DEC 17 97

FPSC-RECORDS/REPORTING

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I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to audit the true-up and interest exhibits for the twelve month period ending September 30, 1997 prepared by St. Joe Natural Gas Company, Inc. for their Petition for approval of Conservation True-Up amounts. There are no confidential documents associated with the audit report.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied on 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 audit standards and produce audited financial statements for public use.

OPINION: The ECCR exhibits for the twelve months period ended September 30, 1997 represent St. Joe Natural Gas Company's books and records maintained in substantial compliance with commission directives. The expressed opinions extend only to the scope of work described in Section II of this report.

II. AUDIT SCOPE

The opinions contained in this report are based on the audit work described below. When used in this report the following definitions shall apply:

COMPILED: Means that the audit staff reconciled exhibit amounts with the general ledger, visually scanned accounts for error or inconsistency, disclosed any unresolved error, irregularity, or inconsistency; and, except as noted performed no other audit work.

SCOPE OF WORK PERFORMED

REVENUES: Traced therms from the Billing Register into the Therms Billed section of the Accounts Receivable Reconciliation Schedule, then into the Recap Accounts Receivable Schedule, then into the ECCR Total Revenue Summary Schedule, and then into the utility's Filing. Verified that the ECCR rates used by the utility matched the FPSC approved factors as set forth in Commission Orders No. PSC-96-0352-FOF-EG and PSC-97-0291-FOF-EG. Traced dollar revenues from the utility's Filing (per ECCR Total Revenue Summary) to the General Ledger and to the associated Journal Entries. Researched selective customer billings to verify rates charged per bill.

EXPENSES: Traced expenses from the utility's ECCR Programs Financial Disbursements Control Log to the General Ledger, then to the ECCR Programs Expense Summary, and then to the utility's Filing. For three of the twelve months, traced all ECCR expense outflows from the ECCR Programs Financial Disbursements Control Log to the utility's Bank Statement in order to verify the amount of cash outflow/payment, to verify the recipient/payee, to determine each check number by review of bank made photocopy of canceled check, and to determine the date per bank statement that each check cleared.

OTHER: Recalculated true-up provision. Recalculated interest provision. Verified that the correct interest rates were applied to under/over recovered amounts for the twelve months ended on September 30, 1997.

St. Joe Natural Gas							S.B. - TOTAL FOR MONTH	S.B. - TOTAL FOR MONTH						TOTAL FOR YEAR					
CONTRACT								Apr07	May07	Jun07	Jul07	Aug07	Sep07						
Calculation of Revenue, Cost, and True-up							Oct07	Nov07	Dec07	Jan08	Feb08	Mar08	Oct07	Nov07	Dec07	Jan08	Feb08	Mar08	
Prepared by: Mark Gauth							Month1	Month2	Month3	Month4	Month5	Month6	Month7	Month8	Month9	Month10	Month11	Month12	Month13
REVENUE SECTION																			
Revenue	\$384.00	\$507.00	\$1,074.00	\$1,300.00	\$888.00	\$614.00	\$4,661.00	\$1,386.00	\$1,386.00	\$988.00	\$988.00	\$781.00	\$620.00	\$5,760.00	\$5,760.00	\$5,760.00	\$5,760.00	\$5,760.00	
Price True-up Impact	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$10,494.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$10,494.00	\$10,494.00	\$10,494.00	\$10,494.00	\$10,494.00	
TOTAL REVENUE IMPACT	\$2,132.00	\$2,255.00	\$2,822.00	\$3,048.00	\$2,636.00	\$2,362.00	\$15,155.00	\$3,134.00	\$3,134.00	\$2,736.00	\$2,736.00	\$2,529.00	\$2,368.00	\$16,254.00	\$16,254.00	\$16,254.00	\$16,254.00	\$16,254.00	
COST SECTION																			
Program 1 Cost	\$1,700.00	\$225.00	\$2,128.00	\$1,805.00	\$2,710.00	\$890.00	\$8,058.00	\$2,700.00	\$1,100.00	\$2,700.00	\$425.00	\$425.00	\$1,100.00	\$8,058.00	\$8,058.00	\$8,058.00	\$8,058.00	\$8,058.00	
Program 2 Cost	\$800.00	\$1,791.75	\$1,280.00	\$2,250.00	\$1,125.00	\$2,025.00	\$10,801.00	\$1,200.00	\$1,575.00	\$875.00	\$875.00	\$1,200.00	\$875.00	\$10,801.00	\$10,801.00	\$10,801.00	\$10,801.00	\$10,801.00	
TOTAL COST	\$2,500.00	\$4,016.75	\$3,408.00	\$4,055.00	\$3,835.00	\$4,915.00	\$18,859.00	\$3,900.00	\$2,675.00	\$3,575.00	\$1,300.00	\$1,275.00	\$1,975.00	\$18,859.00	\$18,859.00	\$18,859.00	\$18,859.00	\$18,859.00	
TRUE-UP SECTION																			
Costs, Revenue section above - Cost section above	\$572.00	\$938.25	\$724.00	\$1,243.00	\$1,225.00	\$1,552.00	\$6,297.00	\$834.00	\$175.00	\$1,031.00	\$1,244.00	\$1,275.00	\$620.00	\$6,297.00	\$6,297.00	\$6,297.00	\$6,297.00	\$6,297.00	
Interest/Premium	\$80.00	\$80.00	\$77.00	\$85.00	\$48.00	\$36.00	\$48.00	\$80.00	\$80.00	\$11.00	\$4.00	\$1.00	\$4.00	\$48.00	\$48.00	\$48.00	\$48.00	\$48.00	
Begin Balance True-up & Interest	\$30,882.00	\$16,815.00	\$17,418.00	\$15,885.00	\$12,315.00	\$8,487.00	\$94,574.00	\$7,314.00	\$8,288.00	\$1,828.00	\$1,205.00	\$794.00	\$230.00	\$94,574.00	\$94,574.00	\$94,574.00	\$94,574.00	\$94,574.00	
Reversal of Price True-up Impact	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$10,494.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$1,748.00	\$10,494.00	\$10,494.00	\$10,494.00	\$10,494.00	\$10,494.00	
Net True-up	\$18,512.00	\$17,416.25	\$15,703.00	\$15,213.00	\$13,407.00	\$10,114.00	\$85,116.00	\$8,062.00	\$8,333.00	\$3,586.00	\$2,949.00	\$2,025.00	\$1,748.00	\$85,116.00	\$85,116.00	\$85,116.00	\$85,116.00	\$85,116.00	

STATE OF FLORIDA

Commissioners:
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DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

December 17, 1997

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

Re: Docket No. 970002 - EG - St. Joe Natural Gas Company, Inc.
Conservation Audit Report - Period Ended September 30, 1997
Audit Control # 97-161-1-1

Dear Mr. Shoaf:

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. Bayó

BSB/clc
Enclosure
cc: Public Counsel