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FILE COPY

January 16, 1996

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32301

HAND DELIVERY

Re: Docket No. 960003-GU; South Florida Natural Gas Company

Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas Company in connection with the hearings scheduled to begin February 21, 1996 in this docket are the original and 15 copies of the following:

1. Petition for Approval of South Florida Natural Gas Company's Purchased Gas Cost Recovery Factor;
2. Direct Testimony of Lou J. Defrain; and
3. Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5.

00505-96

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter. Thank you for your assistance.

Very truly yours,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

- ACK
- AFA
- APP
- CAF
- CMU
- CTR
- EAG  *aristat 13*
- LEG  *1* NHH/amb
- LIN  *make* Enclosures
- OPC  cc: Parties of Record
- RCH  Mr. Lou J. Defrain
- SEC  *1* Ms. Anne V. Wood
- WAS  Ms. Marcilee Masters
- QTH  Mr. J. Peter Martin

RECEIVED & FILED  
JAN 16 1996  
EPSC-BUREAU OF RECORDS

*Petition*  
DOCUMENT NUMBER-DATE  
00504 JAN 16 96  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL  
FILE COPY

In re: Purchased Gas Adjustment )  
(PGA) True-up )

DOCKET NO. 960003-GU

DIRECT TESTIMONY OF L. DEFRAIN

On Behalf of South Florida Natural  
Gas Company

Submitted for filing: January 16, 1996

DOCUMENT NUMBER-DATE

00505 JAN 16 8

FPSC-RECORDS/REPORTING

1 Q. Please state your name, occupation, and business  
2 address.

3 A. My name is Lou J. Defrain. I am Secretary-Treasurer  
4 of South Florida Natural Gas Co. ("SFNG"). My  
5 business address is 101 Northwest 202 Terrace, Miami,  
6 Florida.

7 Q. What is the purpose of your testimony?

8 A. The purpose of my testimony is to discuss the  
9 projected true-up for the period April 1, 1996 through  
10 March 31, 1997.

11 Q. Would you please identify the Composite Exhibit which  
12 you are sponsoring with this testimony?

13 A. Yes. As Composite Exhibit LD-1, I am sponsoring  
14 Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5.

15 Q. Were these schedules prepared under your direction and  
16 supervision?

17 A. Yes, they were.

18 Revised Estimate April 1995 - March 1996

19 Q. What is the revised estimate of total purchased gas  
20 costs for the period April 1995 - March 1996?

21 A. The revised projection of purchased gas cost for the  
22 current period is \$605,432.

23 Q. What is the revised projection of gas revenue to be  
24 collected for the current period?

25 A. As shown on Schedule E-2, the company estimates the

1 total gas revenue to be collected during the period to  
2 be \$489,465. This amount includes a refund of prior  
3 period overcollections in the amount of \$144,832.  
4 Therefore, the revenue collected to cover the current  
5 period's gas cost is estimated to be \$634,297.

6 Q. What is the revised true-up amount, including  
7 interest, estimated for the April 1995 - March 1996  
8 period?

9 A. The company estimates the revised true-up, including  
10 interest, to be an overcollection of \$41,431.

11 April 1996 - March 1997 Projection

12 Q. How did you develop your projection of SFNG's cost of  
13 gas for the April 1996 - March 1997 period?

14 A. Our first step was to estimate our supply requirements  
15 for each of the twelve months in the period. Our  
16 projected supply requirements are based on our  
17 projected sales and company use for each month. Once  
18 we develop our supply requirements, we can then  
19 determine how these requirements will be met. In  
20 other words, we match our estimated requirements with  
21 the gas supply that is available to us. All of our  
22 gas requirements will be met utilizing firm  
23 transportation service on FGT for the projected period  
24 of April 1996 - March 1997. Due to the complexity of  
25 transporting on FGT's system after implementation of

1 FERC Order 636, and the new gas control requirements  
2 on all transporters, we have contracted with an energy  
3 services firm who furnishes our gas supply, arranges  
4 for transportation of the supply to our system,  
5 monitors volumes and adjusts receipts/deliveries as  
6 necessary, and makes all nominations and balancing  
7 arrangements.

8 Q. Please describe the general steps or mechanics of  
9 projecting the total cost of gas for the April 1996 -  
10 March 1997 period.

11 A. As shown on Schedule E-1 lines 1 - 11, the total cost  
12 of gas consists of the cost of no-notice  
13 transportation service (NNTS) on FGT, the demand and  
14 commodity costs of firm transportation service (FTS)  
15 on FGT, and the commodity cost of gas estimated to be  
16 paid to our supplier during the period.

17 The cost of NNTS service (line 2) is based on  
18 SFNG's contract level with FGT and an estimation of  
19 FGT's reservation charge for this service. The  
20 reservation charge utilized for the period is the  
21 current rate in effect.

22 The demand and commodity portions of  
23 transportation system supply are shown on Schedule E-  
24 1, lines 1, 4, and 5. The commodity pipeline amount  
25 (line 1) is based on FGT's current FTS commodity rate

1 multiplied by the number of therms projected to be  
2 transported for system supply.

3 The commodity other (line 4) is based on data  
4 shown on Schedule E-3 which details our projected  
5 direct supplier purchases for the twelve-month period.  
6 We projected the "FTS" commodity cost on line 4 using  
7 a combination of analyses. We analyzed the 1994 and  
8 1995 monthly prices of natural gas delivered to FGT by  
9 zone as reported in Inside FERC Gas Market Report. We  
10 also reviewed the recent NYMEX postings for the  
11 period January 1996 through March 1997. We developed  
12 our monthly index price of gas using the above data  
13 and allowing for seasonal trends and current market  
14 pricing. To this index, we added compressor fuel and  
15 our supplier's estimated margin for first of the month  
16 pricing and swing service.

17 The demand component of SFNG's cost of gas (line  
18 5) for the months of April 1996 - October 1996 is  
19 based on FGT's current FTS demand rate multiplied by  
20 the projected transportation volumes. Through  
21 October, 1996, SFNG will incur no excess demand  
22 charges in its cost of gas, since SFNG has temporarily  
23 relinquished all of its capacity on FGT to the energy  
24 services firm which manages its supply. However,  
25 SFNG's current contract with the energy services firm

1 expires in October 1996. Due to the nature of the  
2 capacity release market and the relatively low value  
3 of remarketed capacity on FGT's system, SFNG does not  
4 anticipate recovering 100% of its excess demand  
5 charges from its supplier through capacity release  
6 after October 1996. As a result, for the months of  
7 November 1996 through March 1997, we have estimated  
8 the demand component of the cost of gas to be equal to  
9 SFNG's entitlement on FGT times the current demand  
10 rate. We have not included any recovery of excess  
11 demand costs, however any capacity release revenues  
12 actually received by SFNG will be credited to  
13 purchased gas costs.

14 Q. Based on the projected total cost of gas and projected  
15 sales, what is the weighted average cost per therm for  
16 the twelve-month period ended March 1997?

17 A. This figure is shown on Schedule E-1, line 40, and is  
18 31.990 cents per therm. To arrive at the total PGA  
19 factor, the 31.990 cents per therm is adjusted for the  
20 estimated total true-up through March 1996 (shown on  
21 Schedule E-4) and for revenue-related taxes.

22 Q. What is the projected PGA factor for the period April  
23 1996 - March 1997?

24 A. The projected PGA factor for the period is 27.000  
25 cents per therm.

1 Q. The estimated total true-up for the twelve months  
2 ended March 1996 as calculated on Schedule E-4 is  
3 included in the projected PGA factor for the period  
4 April 1996 - March 1997. Please explain how it was  
5 calculated.

6 A. The final true-up amount for the period April 1994 -  
7 March 1995 is added to the estimated end of period net  
8 true-up for April 1995 - March 1996. The April 1995  
9 -March 1996 estimated true-up is based on eight  
10 months' actual data plus four months' projected data.

11 Q. What is the impact of the total true-up for the twelve  
12 months ended March 31, 1996 on the projected PGA  
13 factor for the April 1996 - March 1997 period?

14 A. The projected true-up as of March 31, 1995 is an  
15 overrecovery of \$112,492 (Schedule E-4). Dividing the  
16 overrecovery by the April 1996 - March 1997 projected  
17 therm sales of 2,209,818 results in a refund of 5.091  
18 cents per therm to be included in the proposed PGA  
19 factor.

20 Q. What is the maximum levelized purchased gas factor  
21 (cap) that you are proposing for the April 1996 -  
22 March 1997 period?

23 A. The maximum levelized purchased gas factor (cap) that  
24 we are proposing for the period is 27.000 cents per  
25 therm.



1 Q. Does this conclude your testimony?

A. Yes, it does.

SOUTH FLORIDA NATURAL GAS CO.

APRIL 1996 - MARCH-1997

PURCHASED GAS PROJECTION FILING

EXHIBIT LD-1

COMPANY: SOUTH FLORIDA NATURAL GAS CO.

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 96 Through MARCH 97

SCHEDULE E-1  
EXHIBIT NO.  
DOCKET NO. 960003-GJ  
SOUTH FLORIDA NATURAL GAS CO  
LD-1  
PAGE 1 of 6

		PROJECTION												TOTAL
COST OF GAS PURCHASED		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1	COMMODITY (Pipeline)	1,450	1,155	938	819	869	816	785	974	1,404	2,062	2,423	2,180	15,655
2	NO NOTICE SERVICE	479	258	250	237	237	208	215	895	968	1,506	1,074	968	7,095
3	SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4	COMMODITY (Other)	42,859	32,538	24,986	21,806	21,941	21,736	22,010	28,809	43,462	75,932	89,217	73,210	498,506
5	DEMAND	8,756	6,976	5,666	4,945	5,250	4,929	4,743	28,650	29,605	29,605	26,740	29,605	185,470
6	OTHER (FGT REFUND)													0
LESS END-USE CONTRACT														
7	COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8	DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0	0	0	0	0	0	0	0
11	TOTAL COST (1+2+3+4+5+6-7+8+9+10)	53,543	40,927	31,839	27,806	28,297	27,690	27,753	58,328	75,438	109,105	119,254	105,943	706,926
12	NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13	COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14	TOTAL THERM SALES	44,189	31,553	22,465	18,432	18,923	18,316	18,379	49,955	66,064	99,731	109,880	96,565	594,434
THERMS PURCHASED														
15	COMMODITY (Pipeline) BILLING DETERMINANTS ONLY	202,165	161,080	130,815	114,168	121,220	113,803	109,503	135,893	195,773	287,620	337,943	301,275	2,211,258
16	NO NOTICE SERVICE BILLING DETERMINANTS ONLY	69,000	37,200	36,000	34,100	34,100	30,000	31,000	129,000	139,500	217,000	126,000	139,500	1,022,400
17	SWING SERVICE COMMODITY													0
18	COMMODITY (Other) COMMODITY	202,165	161,080	130,815	114,168	121,220	113,803	109,503	135,893	195,773	287,620	337,943	301,275	2,211,258
19	DEMAND BILLING DETERMINANTS ONLY	202,165	161,080	130,815	114,168	121,220	113,803	109,503	661,500	683,550	683,550	617,400	683,550	4,282,304
20	OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT														
21	COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22	DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23		0	0	0	0	0	0	0	0	0	0	0	0	0
24	TOTAL PURCHASES (1+17+18+20-21+23)	202,165	161,080	130,815	114,168	121,220	113,803	109,503	135,893	195,773	287,620	337,943	301,275	2,211,258
25	NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26	COMPANY USE	120	120	120	120	120	120	120	120	120	120	120	120	1,440
27	TOTAL THERM SALES	202,045	160,960	130,695	114,048	121,100	113,683	109,383	135,773	195,653	287,500	337,823	301,155	2,209,818
CENTS PER THERM														
28	COMMODITY (Pipeline) (1/15)	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717
29	NO NOTICE SERVICE (2/16)	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694
30	SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	COMMODITY (Other) (4/18)	21.290	20.200	19.100	18.100	18.100	19.100	20.100	21.200	22.200	26.400	26.400	24.300	22.544
32	DEMAND (5/19)	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331
33	OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT														
34	COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL COST (11/24)	26.485	25.408	24.339	24.356	23.343	24.331	25.345	43.659	38.534	37.934	35.288	35.165	31.969
38	NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39	COMPANY USE (13/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	TOTAL THERM SALES (11/27)	26.501	25.427	24.362	24.381	23.366	24.357	25.373	43.697	38.557	37.950	35.301	35.179	31.990
41	TRUE-UP (E-2)	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091	-5.091
42	TOTAL COST OF GAS (40+41)	21.410	20.336	19.271	19.290	18.275	19.266	20.282	38.606	33.466	32.859	30.210	30.088	26.899
43	REVENUE TAX FACTOR	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	21.490	20.413	19.343	19.363	18.344	19.338	20.358	38.751	33.592	32.982	30.324	30.201	27.000
45	PGA FACTOR ROUNDED TO NEAREST .001	21.490	20.413	19.343	19.363	18.344	19.338	20.358	38.751	33.592	32.982	30.324	30.201	27.000

COMPANY: SOUTH FLORIDA NATURAL GAS CO.		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION											SCHEDULE F SCHEDULE E-1/R EXHIBIT NO. _____ DOCKET NO. 960003-GU SOUTH FLORIDA NATURAL GAS CO LD-1 PAGE 2 of 6	
REVISED ESTIMATE FOR THE PROJECTED PERIOD:		APRIL 95 Through MARCH 96												
COST OF GAS PURCHASED		ACTUAL					REVISED PROJECTION							TOTAL
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1	COMMODITY (Pipeline)	1,054	795	734	718	856	844	902	1,711	2,366	1,973	2,319	2,067	15,939
2	NO NOTICE SERVICE	479	258	250	237	238	208	215	895	968	1,506	874	968	7,095
3	SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4	COMMODITY (Other)	24,027	19,851	19,262	16,740	13,854	17,297	22,062	45,138	76,871	86,700	91,844	70,059	503,726
5	DEMAND	6,368	4,804	4,433	4,339	3,961	3,889	5,445	10,332	14,289	11,921	14,006	12,487	96,273
6	OTHER (FGT REFUND)			0	0			(30)	(17,571)					(17,601)
LESS END-USE CONTRACT														
7	COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8	DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0	0	0	0	0	0	0	0
11	TOTAL COST (1+2+3+4+5+6-7+8+9+10)	31,928	25,708	24,699	22,034	18,707	22,038	29,594	40,505	94,494	102,100	109,044	85,581	605,432
12	NET UNBILLED	(6,844)	(5,874)	(2,630)	1,256	(997)	(270)	4,512	16,940	0	0	0	0	6,093
13	COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14	TOTAL THERM SALES	35,502	27,718	24,784	25,204	24,403	23,555	27,333	45,449	69,276	57,795	67,907	60,539	489,485
THERMS PURCHASED														
15	COMMODITY (Pipeline) BILLING DETERMINANTS ONLY	147,040	110,910	102,360	100,180	91,460	89,800	125,720	238,570	329,919	275,239	323,396	288,308	2,222,902
16	NO NOTICE SERVICE BILLING DETERMINANTS ONLY	69,000	37,200	36,000	34,100	34,100	30,000	31,000	129,000	139,500	217,000	126,000	139,500	1,022,400
17	SWING SERVICE COMMODITY													0
18	COMMODITY (Other) COMMODITY	147,040	110,910	102,360	100,180	91,460	89,800	125,720	238,570	329,919	275,239	323,396	288,308	2,222,902
19	DEMAND BILLING DETERMINANTS ONLY	147,040	110,910	102,360	100,180	91,460	89,800	125,720	238,570	329,919	275,239	323,396	288,308	2,222,902
20	OTHER COMMODITY	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT														
21	COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22	DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23		0	0	0	0	0	0	0	0	0	0	0	0	0
24	TOTAL PURCHASES (+17+18+20)-(21+23)	147,040	110,910	102,360	100,180	91,460	89,800	125,720	238,570	329,919	275,239	323,396	288,308	2,222,902
25	NET UNBILLED	(32,592)	(27,978)	(12,523)	5,981	(4,749)	(1,285)	21,487	80,676	0	0	0	0	29,017
26	COMPANY USE	106	106	182	170	187	210	184	173	120	120	120	120	1,798
27	TOTAL THERM SALES	169,073	131,999	118,031	120,028	116,216	112,180	130,167	216,448	329,799	275,119	323,276	288,188	2,330,524
CENTS PER THERM														
28	COMMODITY (Pipeline) (1/15)	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717	0.717
29	NO NOTICE SERVICE (2/16)	0.694	0.694	0.694	0.695	0.692	0.693	0.694	0.694	0.694	0.694	0.694	0.694	0.694
30	SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	COMMODITY (Other) (4/18)	16.340	17.898	18.837	16.710	15.148	19.262	17.549	18.920	23.300	31.500	28.400	24.300	22.661
32	DEMAND (5/19)	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331	4.331
33	OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT														
34	COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL COST (11/24)	21.714	23.179	24.130	21.994	20.454	24.541	22.744	16.978	28.641	37.095	33.718	29.684	27.236
38	NET UNBILLED (12/25)	20.999	20.995	21.001	21.000	20.994	21.012	20.999	20.999	0.000	0.000	0.000	0.000	20.998
39	COMPANY USE (13/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	TOTAL THERM SALES (11/27)	18.884	19.476	20.926	18.357	16.097	19.645	21.967	18.714	28.652	37.111	33.731	29.696	25.978
41	TRUE-UP (E-2)	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113	-7.113
42	TOTAL COST OF GAS (40+41)	11.771	12.363	13.813	11.244	8.984	12.532	14.854	11.501	21.539	29.998	26.618	22.583	18.865
43	REVENUE TAX FACTOR	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764	1.003764
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	11.815	12.410	13.865	11.287	9.018	12.579	14.910	11.644	21.620	30.111	26.718	22.668	18.936
45	PGA FACTOR ROUNDED TO NEAREST .001	11.815	12.410	13.865	11.287	9.018	12.579	14.910	11.644	21.620	30.111	26.718	22.668	18.936

COMPANY: SOUTH FLORIDA NATURAL GAS CO.

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD:

APRIL 95

Through

MARCH 96

SCHEDULE E-2  
EXHIBIT NO.  
DOCKET NO. 960003-GU  
SOUTH FLORIDA NATURAL GAS CO.  
LD-1  
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	ACTUAL												TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
<b>TRUE-UP CALCULATION</b>													
1 PURCHASED GAS COST	31,928	25,708	24,699	22,034	18,707	22,038	28,594	40,505	94,494	102,100	108,044	85,581	605,432
2 TRANSPORTATION COST	0	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL	31,928	25,708	24,699	22,034	18,707	22,038	28,594	40,505	94,494	102,100	108,044	85,581	605,432
4 FUEL REVENUES	35,502	27,718	24,784	25,204	24,403	23,555	27,333	45,449	68,276	57,795	67,907	60,538	488,485
NET OF REVENUE TAX													
5 TRUE-UP COLLECTED OR (REFUNDED)	12,069	12,069	12,069	12,069	12,069	12,069	12,069	12,069	12,069	12,069	12,069	12,073	144,832
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	47,571	39,787	36,853	37,273	36,472	35,524	39,402	57,518	81,345	69,864	79,976	72,512	634,297
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 5)	15,643	14,079	12,154	15,239	17,765	13,586	10,008	17,013	(13,149)	(32,236)	(29,068)	(12,969)	28,865
8 INTEREST PROVISION-THIS PERIOD (21)	1,106	1,121	1,135	1,129	1,132	1,163	1,166	1,167	1,123	861	759	603	12,586
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	215,971	220,651	223,782	225,002	229,301	236,129	238,809	238,714	244,825	220,730	177,387	137,009	2,608,311
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,069)	(12,073)	(144,832)
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	220,651	223,782	225,002	229,301	236,129	238,809	238,714	244,625	220,730	177,387	137,009	112,570	112,570
<b>INTEREST PROVISION</b>													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	215,971	220,651	223,782	225,002	229,301	236,129	238,809	238,714	244,825	220,730	177,387	137,009	2,608,311
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	219,545	222,661	223,667	228,172	234,997	237,646	237,548	243,658	219,607	176,425	136,250	111,967	2,492,344
14 TOTAL (12+13)	435,516	443,312	447,649	453,174	464,298	473,775	476,357	482,372	464,432	397,156	313,636	248,976	5,100,654
15 AVERAGE (50% OF 14)	217,758	221,656	223,825	226,587	232,149	236,888	238,178	241,186	232,216	198,578	156,818	124,488	2,550,327
16 INTEREST RATE - FIRST DAY OF MONTH	6.120%	6.070%	6.070%	6.100%	5.860%	5.840%	5.840%	5.810%	5.800%	5.810%	5.810%	5.810%	5.810%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	6.070%	6.070%	6.100%	5.960%	5.840%	5.840%	5.810%	5.800%	5.810%	5.810%	5.810%	5.810%	5.810%
18 TOTAL (16+17)	12.190%	12.140%	12.170%	11.960%	11.700%	11.780%	11.750%	11.610%	11.610%	11.620%	11.620%	11.620%	11.620%
19 AVERAGE (50% OF 18)	6.085%	6.070%	6.085%	5.980%	5.850%	5.890%	5.875%	5.805%	5.805%	5.810%	5.810%	5.810%	5.810%
20 MONTHLY AVERAGE (19*12 Months)	0.500%	0.506%	0.507%	0.499%	0.489%	0.491%	0.490%	0.484%	0.484%	0.484%	0.484%	0.484%	0.484%
21 INTEREST PROVISION (15*20)	1106	1121	1135	1129	1132	1163	1163	1167	1123	861	759	603	12,586

COMPANY: SOUTH FLORIDA NATURAL GAS CO.

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

SCHEDULE E-3  
EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 96000J-GU  
SOUTH FLORIDA NATURAL GAS  
LD-1  
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ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	CENTS PER THERM
							THIRD PARTY	PIPELINE			
APRIL	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	202,165	0	202,165	42,859	1,450	8,756		26.248
MAY	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	161,080	0	161,080	32,538	1,155	6,976		25.248
JUNE	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	130,815	0	130,815	24,986	938	5,666		24.149
JULY	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	114,168	0	114,168	21,806	819	4,945		24.149
AUGUST	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	121,220	0	121,220	21,941	869	5,250		23.148
SEPT	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	113,803	0	113,803	21,736	816	4,929		24.148
OCT	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	109,503	0	109,503	22,010	785	4,743		25.148
NOV	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	135,893	0	135,893	28,809	974	28,650		42.999
DEC	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	195,773	0	195,773	43,462	1,404	29,605		38.039
JAN	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	287,620	0	287,620	75,932	2,062	29,605		37.410
FEB	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	337,943	0	337,943	89,217	2,423	26,740		35.030
MAR	PENINSULA ENERGY	SYSTEM SUPPLY	FTS-1	301,275	0	301,275	73,210	2,160	29,605		34.844
TOTAL				2,211,258	0	2,211,258	498,506	15,855	185,470		31.649 (1)

(1) COST INCLUDED IN PIPELINE COMMODITY

COMPANY: SOUTH FLORIDA NAT GAS

CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

SCHEDULE E-4  
EXHIBIT NO \_\_\_\_\_  
DOCKET NO. 960003-GU  
SOUTH FLORIDA NATURAL GAS  
LD-1  
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ESTIMATED FOR THE PROJECTED PERIOD:

APRIL 96

Through

MARCH 97

	PRIOR PERIOD: APRIL '94 - MARCH '95			CURRENT PERIOD: APRIL '95 - MARCH '96	
	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$ GAS REVENUES	555,668	612,575	56,907	634,297	691,204
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	176,399	246,812	70,413	28,865	99,278
3 INTEREST PROVISION FOR THIS PERIOD	6,779	7,427	648	12,566	13,214
4 END OF PERIOD TOTAL NET TRUE-UP	183,178	254,239	71,061	41,431	112,492 (1)

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

(+) = OVERRECOVERY  
(-) = UNDERRECOVERY

COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2)  
COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)  
LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)  
LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)  
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)  
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

112,492 equals \$0.05091 PER THERM  
2,209,818 TRUE-UP REFUND

(1) DIFFERENCE FROM SCHEDULE E-2 IS \$78 DIFFERENCE FROM A PRIOR PERIOD

