

additional \$705,407 for a total revenue increase requested of \$1,814,634. We granted a permanent increase of \$1,518,271 based on a cost of equity of 13.50% and an overall rate of return of 11.06% (Order No. 21054).

The case now before us was filed October 15, 1991. West Florida requested a revenue increase of \$1,930,801, based on a cost of equity of 12.80% (11.14% overall rate of return). The Company also requested interim rate relief of \$570,567. Its filing incorrectly stated certain tax information that, when corrected, entitled the Company to an additional interim increase. In Order No. 25522, dated December 23, 1991, we granted an interim increase of \$853,689. In that order, we suspended rate schedules associated with the Company's proposed permanent increase.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7)

days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits

appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>Direct</u>		
J. E. McIntyre	WFNG	General need for rate relief, LP asset sale
Patti A. Smith	WFNG	income tax, transactions with affiliates, sources and uses of funds, cost of service and rate design, various NOI issues, LP asset sale
Bruce Christmas	WFNG	inactive service lines, environmental cleanup, residential garage appliance elevation program
Teresa K. Bean	WFNG	rate base, NOI issues, benchmark variance analysis, cost of capital, revenue deficiency
Mark Cicchetti	WFNG	cost of equity; reconciliation of capital structure; Staff's review of debt issue in last rate case
Neel Lemon	WFNG	refinancing of debt, LP asset sale

V. BASIC POSITIONS

WFNG: The Company is not earning a fair rate of return and an additional \$1,426,914 in annual revenues should be awarded (this figure is based on cost of equity at time of filing case, and will be updated per agreement with Staff). A new Large Commercial Service Class of customer should be created.

FEA: FEA intends to call no witnesses and intends to raise no issues on its own, but reserves the right to take a position on issues raised by the other parties in the case and to participate in those issues through cross examination of witnesses and on brief.

OPC: The Company in this rate case has overstated its rate base and return requirements. Revenues appear to be understated and projected expenses are overstated. The Utility's capital structure does not reflect the proper balance of debt.

STAFF: For West Florida Natural Gas Company's filing to be directly comparable to Staff's position, the company's request must be adjusted to remove Gross Receipts Taxes from both revenues and expenses in the Projected Test Year. That adjustment, fully explained in Issue 71, has a much greater impact on expenses than revenues. Zeroing out Gross Receipts Tax reduces the deficiency from \$1,930,800 to \$1,555,366. This adjustment is shown in the following chart.

Deficiency/Increase Calculations

	Company As <u>Filed</u>	Adj for Gross Rec <u>Tax</u>	Company As <u>Adjusted</u>
Total Rate Base	\$18,066,280		18,066,280
Return on Equity	12.80%		12.80%
Rate of Return	<u>11.14%</u>		<u>11.14%</u>
Required NOI	\$2,012,584		\$2,012,584
Projected Revenues			
Before Increase	\$6,559,429	(\$100,781)	\$6,458,648
Proj Opng Exp	<u>5,743,647</u>	<u>(333,493)</u>	<u>5,410,154</u>
Projected NOI	\$815,782	\$232,762	\$1,048,494
(without rate relief)			

NOI Deficiency	\$1,196,802	(\$232,762)	\$964,090
NOI Multiplier	<u>1.6133</u>	<u>1.6133</u>	<u>1.6133</u>
Revenue Increase	\$1,930,800	(\$375,515)	\$1,555,366

Of the remaining \$1,555,366, the company's filing supports only \$906,931. Much of the difference comes from Staff adjustments to revenues to correct the Company's filing. West Florida's future therm sales were projected using 1991 therm sales per customer and projected test year revenues included no increase in therm sales due to growth. 1991 therm sales were significantly below the average of the past several years, and were in fact, the lowest usage levels in ten years and are, therefore not representative.

VI. ISSUES AND POSITIONS

ISSUE 1: Should an adjustment be made to the projected test year rate base to recognize the utility's acquisition adjustment in the Ocala Division incorrectly removed from rate base by the company?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Any positive acquisition adjustment regarding the Ocala and the Panama City Divisions should be excluded from rate base.

STAFF: Yes, the previously approved Ocala acquisition adjustment of \$465,716 and accumulated amortization in the amount of \$398,756 should be included in rate base. Amortization expense should also be increased \$31,061. (ROMIG)

ISSUE 2: What is the correct amount of the rate base addition to reflect extensions to the Okaloosa County line?

WFNG: Extensions to the Okaloosa County line are estimated to cost \$400,000. It is anticipated that the line will be completed by November 1992. The MFR's reflect a 13-month average increase to Plant-In-Service of \$378,539. An adjustment, however is necessary to reflect the recording of the expenditures in Work In Progress until the project is completed. This adjustment will decrease Accumulated

Depreciation by \$4,426 and Depreciation Expense by \$4,320. (SMITH)

FEA: No position at this time.

OPC: It appears that the company has overstated the rate base addition. Particularly in light of the delay in starting construction, plant in service should be reduced. The precise amount will not be known until after cross examination at the hearing.

STAFF: The correct amount is \$378,539, of which \$246,154 is Plant in Service and \$132,385 is construction work in progress. In addition, the correct amount of depreciation expense is \$8,076 and the correct amount of accumulated depreciation is \$2,650. (Revell)

ISSUE 3: What is the correct amount of the rate base addition to reflect extensions to the Gulf Asphalt plant?

WFNG: The cost of the new gate station and main extension to Gulf Asphalt is estimated to be \$380,000. The Company expects the extension to be completed by September 1992. The revised completion date necessitates an adjustment to the Company's MFR's decreasing the 13-month average of Plant-In-Service by \$5,000. This adjustment, along with the recording of expenditures in Construction Work In Process until completion will decrease Accumulated Depreciation by \$6,202 and decrease Depreciation Expense by \$3,410. (CHRISTMAS, SMITH)

FEA: No position at this time.

OPC: Zero.

STAFF: The correct amount is \$375,000 of which \$292,308 is plant in service, and \$82,692 is construction work in progress. In addition, the correct amount of depreciation expense is \$9,136 and the correct amount of accumulated depreciation is \$3,699. (Revell)

ISSUE 4: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be reduced to reflect an accounting error in inventory booked in Account 376, Mains?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. It appears that at a minimum, the following reductions should be effected: Account 376: \$195,307; Accumulated Depreciation: \$175,307; Depreciation Expense: \$5,303.

STAFF: Yes, Account 376 should be reduced by \$175,307, Accumulated Depreciation should be reduced by \$180,610, and Depreciation Expense should be reduced by \$5,303. (BASS, MEEKS, MERTA)

ISSUE 5: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be adjusted to reflect the appropriate booking of a new Cannon copier and the retirement of a Sharp copier?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. The exact reductions to Plant in Service, Accumulated Depreciation, and Depreciation Expense will be determined after cross examination at hearing.

STAFF: Yes, the projected test year Plant-In-Service should be decreased by \$258; Accumulated Depreciation should be decreased by \$337; the depreciation expense for the projected test year should be reduced by \$36. (BASS, MEEKS)

ISSUE 6: Should projected test year Plant-In-Service, Accumulated Depreciation, Depreciation Expense be reduced to reflect the retirement of three vehicles and equipment relating to two retired vehicles?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Yes. Reductions should be effected based on the retirement of the three vehicles and the equipment of at least two retired vehicles. The amounts are still to be determined.

STAFF: Yes. The projected test year Plant-In-Service and Accumulated Depreciation reserve should be reduced by \$26,347 and \$31,862, respectively. The Depreciation Expense should be reduced by \$3,396. (BASS, MEEKS)

ISSUE 7: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be reduced to reflect tools that West Florida Natural Gas has been unable to identify or locate, or are no longer in use?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. Exact amounts will be determined after cross examination at hearing.

STAFF: Yes. The projected test year Plant-In-Service and Accumulated Depreciation should be reduced by \$60,478 and \$68,188, respectively. The Depreciation Expense should be reduced by \$3,084. (BASS, MEEKS)

ISSUE 8: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be reduced to reflect certain power operated equipment that West Florida Natural Gas has been unable to identify or locate?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. All items of equipment and reduction amounts will be determined after cross examination at hearing.

STAFF: Yes. The projected test year Plant-In-Service and Accumulated Depreciation should be reduced by \$65,531 and \$79,051 respectively. The Depreciation Expense should be reduced by \$4,718. (BASS, MEEKS)

ISSUE 9: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be reduced to reflect certain power operated equipment that was sold to AmeriGas?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. Exact amount of reductions will be determined after cross examination at hearing.

STAFF: Yes. The projected test year Plant-In-Service and Accumulated Depreciation should be reduced by \$8,423 and \$9,953, respectively. The Depreciation Expense should be reduced by \$612. (BASS, MEEKS)

ISSUE 10: Should projected test year Plant-In-Service, Accumulated Depreciation, and Depreciation Expense be reduced to reflect communication equipment no longer in use by WFNG and the correct booking of the replacement equipment?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. Plant in Service and Accumulated Depreciation should be reduced by at least \$18,429. Depreciation Expense should be reduced by at least \$2,628.

STAFF: Yes. The projected test year Plant-In-Service and Accumulated Depreciation should be reduced by \$18,429 and \$24,999, respectively. The Depreciation Expense should be reduced by \$2,628. (BASS, MEEKS)

ISSUE 11: Should adjustments be made to plant in service and expense and reserve to reflect corrections to test year data?

WFNG: Yes. An adjustment should be made decreasing Plant-In-Service by \$386,356, decreasing Accumulated Depreciation by \$390,950, and increasing Depreciation Expense by \$19,353. (SMITH)

FEA: No position at this time.

OPC: Yes. Exact adjustments will depend on cross examination responses at hearing and any possible late filed exhibits.

STAFF: Yes. An adjustment to plant in the amount of (\$381,356) is made to correct errors. Also, to allow for correction of construction projects covered in Issues 2 and 3, the adjustments of (\$380,000) for the Gulf Asphalt Construction and (\$378,539) for the Okaloosa Extension are made to plant in service. The total adjustment to plant is (\$1,139,895.) For the reserve, the adjustment to correct for errors is (\$401,580). To remove the Gulf Asphalt project the adjustment is (\$3,699) and to remove the Okaloosa project the adjustment is (\$2,650). The total adjustment to reserve is (\$407,929). The amount of expense in the test year will increase by \$19,353 for corrections; the adjustment removing the Gulf Asphalt project is (\$9,136), and removing the Okaloosa project is (\$8,076). The net increase for test year expense is \$2,141. (Bass)

ISSUE 12: Is West Florida Natural Gas in compliance with Rule 25-7.0461, (4) (a), F.A.C.?

WFNG: Yes, with the exception of three trade-ins during the base year. The Company agrees to bring its records into compliance immediately. (SMITH)

FEA: No position at this time.

OPC: It appears that not all retirement units have been added to the company's books pursuant to the rule. A penalty of 100 basis points should be imposed because of the company's disregard of Commission Rules.

STAFF: No. In some cases, it has been the company's practice of netting the purchase price with the salvage or trade-in value when booking new additions of plant. The appropriate procedure is to book the purchase price plus labor and installation costs to the plant account and charge the salvage or trade-in value to the reserve. The company should be required to bring its procedures into compliance immediately, subject to audit by Commission Staff within 12 months. (BASS, MEEKS)

ISSUE 13: Is West Florida Natural Gas in compliance with Rule 25-7.0461, (4) (c), F.A.C.?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: It appears that the company has not properly recorded the retirement of retirement units in all cases. A penalty of 100 basis points should be imposed because of the company's disregard of Commission rules.

STAFF: No. In some cases, the Company has not recorded the proper retirements as the rule requires. The company should be required to bring its procedures into compliance immediately, subject to audit by Commission Staff within 12 months. (BASS, MEEKS)

ISSUE 14: What adjustment, if any, should be made related to the sale of the LP properties to AmeriGas?

WFNG: Agree with Staff with respect to Ocala gain. No further adjustment is necessary. (Smith)

FEA: No position at this time.

OPC: Any gain on utility regulated property sold should be amortized above the line. Final amounts will be determined for both Ocala and Panama City property after cross examination at hearing and review of any late filed exhibits.

STAFF: The Company recorded a gain on the sale of its properties to AmeriGas. Since these properties were allocated between regulated and non-regulated operations it would be appropriate to allocate a portion of the gain to the regulated operations and amortize over five years beginning July 1, 1992. Therefore, it would be appropriate to make the following adjustments for the Ocala Properties:

<u>Ocala</u>	
Reduce Accumulated Depreciation	\$78,429
13-month Average Deferred Credit Unamortized portion	70,587
Reduce Expenses (1/5 of gain)	15,689

ISSUE 15: Should projected test year Plant-In-Service, Accumulated Depreciation and Depreciation Expense be reduced to remove the Panama City propane air facility as contained in Accounts 319 and 320?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Yes. Plant in Service should be reduced by at least \$129,140; Accumulated Depreciation should be reduced by the appropriate corresponding amount; and Depreciation expense should be reduced by at least \$4,808.

STAFF: Projected test year Plant-In-Service should be reduced \$129,140; Accumulated Depreciation should be reduced \$85,316; and Depreciation Expense should be reduced \$4,808. (REVELL, BASS, MEEKS)

ISSUE 16: What is the appropriate projected test year Plant-In-Service? (This is a calculation based upon the decisions made on prior issues.)

WFNG: \$25,057,853. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: The appropriate Plant-In-Service is \$25,062,853 for the projected test year. (REVELL)

ISSUE 17: What is the appropriate projected test year Depreciation Reserve? (This is a calculation based upon the decisions made on prior issues.)

WFNG: \$8,063,307. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: The appropriate Depreciation Reserve is \$8,104,387 for the projected test year. (REVELL, BASS, MEEKS)

ISSUE 18: Should adjustments be made to include Customer Advances for Construction as a line item deduction from rate base and to remove it from working capital?

WFNG: Any adjustments should produce no net change in rate base. If Customer Advances for Construction are deducted from Plant-In-Service, they must be added to Working Capital. Some customer advances were received during the historic base year plus one and were not included as a projection in the MFR's, nor was the related capital expenditure projected in our capital budget. (SMITH)

FEA: No position at this time.

OPC: Yes. All customer advances should be included as a line item deduction from rate base, including those received but not listed in the company's MFR's.

STAFF: Yes, \$999 should be removed from working capital and should be included as a line item deduction from rate base. Rate base should also be reduced by \$35,418 for customer advances received but not included in the MFRs, making the total line item deduction of \$36,417. (BRAND)

ISSUE 19: Should working capital be increased to add Cash?

WFNG: Yes. Cash of \$76,850 should be added to Projected Test Year working capital which was omitted in error. (SMITH)

FEA: No position at this time.

OPC: No position at this time.

STAFF: No. (Revell)

ISSUE 20: Should the excess amortization of inactive service lines be transferred to offset the unrecovered costs of environmental cleanup in the Ocala Division?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No. This overrecovery should be refunded to the customers.

STAFF: Yes. Commission Order 21054 in Docket 871255-GU granted the Company \$268,800 to be amortized to retire inactive service lines. The Company discovered that there were fewer inactive lines than anticipated. As a result the Company over-recovered these costs in the amount of \$121,796. This excess recovery cost should be transferred to offset the environmental costs in the Ocala Division. See Issue 26. (REVELL)

ISSUE 21: Should Account 143, Merchandise, Jobbing & Other be reduced?

WFNG: Account 143 should be reduced by \$1,538 only. Contract labor contains items that relate to both regulated and non regulated activities, and an allocation was made to remove the non regulated portion (\$2,135) in the MFR's. The \$42,337 is utility related and should not be removed. Figures given relate to the historic base year as in Staff's statement of the issue. (Smith)

FEA: No position at this time.

OPC: Yes. The exact amount is to be determined after cross examination at hearing.

STAFF: Yes, Account 143, Merchandise, Jobbing & Other, should be reduced to remove receivables of \$1,538 in gas reservation fees and \$20,333 in contract labor from working capital, for a net reduction of \$21,871. (MERTA)

ISSUE 22: Should Accounts Receivable-Gas be reduced to remove non-utility related receivables from working capital?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes. All non-utility items should be removed from working capital.

STAFF: Yes. Accounts Receivable - Gas and Accumulated Provision for Uncollectibles should be reduced by \$24,812 and \$1,283 respectively, for a net reduction of \$23,529. (ROMIG)

ISSUE 23: Should Notes Receivable be removed from working capital?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Yes.

STAFF: Yes. Working capital should be reduced by \$4,375.
(BRAND)

ISSUE 24: Should unamortized rate case expense be included in working capital?

WFNG: Yes. The unrecovered amount should be included in working capital. In addition, unamortized rate case expense should be increased by \$78,230 in the Projected Test Year, as the amount shown on MFR Schedule G-1, page 7 does not include unamortized portion of the rate case expense from this rate case. This adjustment will also take into consideration our revised rate case expense (see Issue 66). (SMITH)

FEA: No position at this time.

OPC: No.

STAFF: No, working capital should be reduced by \$4,308 consistent with previous decisions of the Commission.
(ROMIG)

ISSUE 25: Should \$65,000 recorded as a credit to Account 143, Other Accounts Receivable, for a land payment be reclassified to Account 253, Other Deferred Credits?

WFNG: Accept Staff's position.

FEA: No position at this time.

OPC: No. This should remain as a reduction in working capital.

STAFF: Yes. West Florida (Ocala Gas Company, Inc.) on January 30, 1987, entered into a contract for deed to sell a parcel of land located in Ocala. Title to the

property will not be transferred to the purchaser until the company completes the environmental cleanup of the Ocala manufactured gas plant site. Therefore, it would be appropriate to transfer this \$65,000 to Account 253, Other Deferred Credits, until further disposition is ordered by this Commission. (MERTA)

ISSUE 26: What is the proper treatment of expenses associated with the cleanup of the Ocala manufactured gas plant site?

WFNG: The treatment approved by the Commission in the Company's last rate case and requested in this rate case.

Working capital should be reduced by \$161,097, reflecting revised estimated expenditures and the transfer of excess amortization of inactive service lines. (SMITH)

FEA: No position at this time.

OPC: There should be a 50/50 sharing of these expenses by the shareholders and the customers.

STAFF: The company should be allowed to recover its costs consistent with the Commission's decision in the company's last case (Docket No. 871255-GU). In addition, the company projected an additional clean-up expense of \$517,000 which should be added to the unamortized amount and reduced by \$121,796 for excess amortization of inactive service lines. The net effect is to reduce the Company's projected annual amortization expense by \$6,096.

Additionally, working capital should be reduced \$169,386 for the excess amortization of inactive service lines not transferred to the deferred environmental costs in the base year + 1 and projected test year and effect of changing the annual amortization amount. (ROMIG, MILLS)

ISSUE 27: What is the appropriate projected test year Working Capital Allowance? (This is a calculation.)

WFNG: \$1,122,367. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: The proper projected test year allowance for working capital is \$935,356. (BRAND)

ISSUE 28: What is the appropriate projected test year rate base? (This is a calculation.)

WFNG: \$18,116,913. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: The appropriate projected test year rate base is \$17,893,822. (MERTA)

COST OF CAPITAL ISSUES

ISSUE 29: What is the appropriate provision for accumulated deferred income taxes to be included in the projected test year capital structure?

WFNG: The amount per books is \$1,573,426, and after adjustments is \$1,332,439. This includes an adjustment increasing deferred income taxes by \$14,506 for the effect of plant adjustments. Accumulated deferred income taxes as filed in the MFRs should be reduced by \$22,763. (SMITH)

FEA: No position at this time.

OPC: \$1,573,426, subject to changes made in other issues.

STAFF: Accumulated deferred income taxes should be reduced by \$37,535 for the effect of plant adjustments. (HICKS) (Subject to change based upon changes made in other issues).

ISSUE 30: What is the appropriate amount of investment tax credits (ITCs) to be included in the projected test year capital structure?

WFNG: The amount per books is \$682,266, and after adjustments is \$577,770. This includes an adjustment increasing ITCs by \$6,290 for the effect of plant adjustments. ITCs as filed in the MFRs should be reduced by \$9,870. (SMITH)

FEA: No position at this time.

OPC: \$682,226, subject to changes made in other issues.

STAFF: ITCs should be reduced by \$16,276 for the effect of plant adjustments. (HICKS) (Subject to change based upon changes made in other issues).

ISSUE 31: What are the appropriate cost rates for long term and short term debt for the projected test year?

WFNG: The appropriate cost rate for long-term debt is 12.42% and short-term debt is 8.5%. (Smith)

FEA: No position at this time.

OPC: The cost rate for long term debt should be no greater than current Federal Reserve prime + 1.

STAFF: The appropriate cost rates for long term and short term debt are 12.36% and 7.00%, respectively. (LESTER)

ISSUE 32: Should the Commission remove an amount for non-utility investment specifically from common equity in reconciling rate base and capital structure?

WFNG: No. \$416,550 has already been removed from debt and equity, the same treatment afforded in our last rate case. (Cicchetti)

FEA: No position at this time.

OPC: Yes. All non-utility amounts should be removed from equity.

STAFF: Yes. The Commission should remove \$416,550, the amount representing non-utility investment in hot water heaters, specifically from common equity in reconciling rate base and capital structure. (LESTER)

ISSUE 33: What is the appropriate cost of common equity for the projected test year?

WFNG: The original filing employs 12.80 percent. The Company will update this in accordance with agreement with Staff. (Cicchetti)

FEA: No position at this time.

OPC: 11% with a range of \pm 100 Basis Points.

STAFF: The appropriate cost of common equity is 12.00% with a range of plus or minus 100 basis points. (LESTER)

ISSUE 34: Is the Company's debt to equity ratio appropriate?

WFNG: Yes. (Cicchetti)

FEA: No position at this time.

OPC: The Company's equity component of its capital structure is excessive and should be no greater than 35% of investor capital. In other words, common equity + long and short term debt and equity.

STAFF: No position at this time.

ISSUE 35: What is the weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the projected test year? (This is a calculation based upon the decisions made on prior issues.)

WFNG: 11.03%, based upon 12.80% cost of equity. See Issue 33. (Smith)

FEA: No position at this time.

OPC: Fallout.

STAFF: The weighted average cost of capital for the projected test year is 10.6077%. (LESTER)

NET OPERATING INCOME ISSUES

ISSUE 36: Should base year and projected test year revenues be reduced by \$2,460 to correct a company error?

WFNG: Agree with Staff.

FEA: No position at this time.

OPC: No position.

STAFF: Yes. Reduce revenues \$2,460. The company books sales tax revenues as Other Operating revenues. The company also made an adjustment increasing revenues for the sales tax discounts since a similar adjustment was made in the last case. (ROMIG)

ISSUE 37: Should revenues be increased \$8,427 for returned check fees improperly recorded below-the-line?

WFNG: Agree with Staff.

FEA: No position at this time.

OPC: No position.

STAFF: Yes. Base year revenues should be increased \$8,427. (ROMIG)

ISSUE 38: Should base year flex rate revenues be decreased \$52,387 in the projected test year?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: The company made an adjustment in the base year reducing flex rate revenues \$11,486 in determining N.O.I and \$52,387 in determining its cost of service which is based on the projected test year. The correct adjustment is \$52,387. (MAKIN, ROMIG)

ISSUE 39: Is the Company's adjustment removing conservation revenues, expenses and related taxes appropriate?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPCI: No position.

STAFF: No. The company's adjustment of \$231,924 removing Conservation Expense should be decreased by \$4,596 to reflect actual Conservation Expense of \$227,328. Taxes Other Than Income should be increased by \$75 to eliminate the company's adjustment to this account since Conservation Revenues are removed net of taxes. (MERTA)

ISSUE 40: Should Taxes Other Than Income Taxes be adjusted for the effect of adjustments to Operating Revenues?

WFNG: Agree with Staff.

FEA: No position at this time.

OPCI: Fallout.

STAFF: Yes, a \$932 increase in taxes Other Than Income Taxes should be made for the effect of Operating Revenues increases.

ISSUE 41: Should an adjustment be made to the projected test year revenues for the effect of customer growth and changes in consumption?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPCI: No position at this time.

STAFF: Yes. Revenues should be increased \$393,422 in addition to the company's adjustment of \$179,742. The related gross receipts taxes are included in Issue 71. (MAKIN)

ISSUE 42: What is the appropriate amount of projected test year base rate operating revenue? (This is a calculation.)

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Yes. Revenues should be increased by at least \$570,000.

STAFF: The projected test year base rate operating revenue should be \$6,805,538. (ROMIG)

ISSUE 43: What are the appropriate trending factors to be used in deriving projected test year operating expenses?

WFNG:

WFNG TREND RATES:		BASE YEAR PROJECTED	
		+1 06/30/92	TEST YEAR 06/30/93
#1	PAYROLL ONLY	5.00%	5.00%
#2	CUST GRWTH X PAY	10.99%	10.99%
#3	CUST GRWTH X INFL	9.51%	9.14%
#4	INFLATION ONLY	3.60%	3.25%
	CUSTOMER GROWTH	5.70%	5.70%
	(Smith)		

FEA: No position at this time.

OPC: Agree with Staff.

STAFF:

STAFF TREND RATES:		BASE YEAR PROJECTED	
		+1 06/30/92	TEST YEAR 06/30/93
#1	PAYROLL ONLY	4.50%	5.00%
#2	CUST GRWTH X PAY	10.46%	10.99%
#3	CUST GRWTH X INFL	8.87%	9.40%
#4	INFLATION ONLY	3.00%	3.50%
	CUSTOMER GROWTH	5.70%	5.70%

(MERTA, BRAND)

Staff's position changed from the position at the pre-hearing, based upon the March 1992 DRI report.

ISSUE 44: Should the projected test year O&M expense be adjusted for the effect of changing the trending factors?

WFNG: Projected Test Year O & M expense should be decreased \$30,876 to adjust for updated inflation rates, correct errors in the trending schedules and include out-of-period adjustments. (SMITH)

FEA: No position at this time.

OPC: Yes. Reduce O&M by at least \$122,000.

STAFF: Yes, the projected test year O&M expense should be reduced \$121,859 for the effect of changing the trending factors. (MERTA, BRAND)

ISSUE 45: In the base year for purposes of trending, should Account 921 be adjusted by \$14,351 for expense adjustments the Company made but could not identify by account number?

WFNG: The Company is aware of no adjustment that is warranted. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: No. The company identified the adjustments by account and the appropriate reductions have been made.

ISSUE 46: Should the gain on the sale of common plant properties to Amerigas be amortized over five years?

WFNG: Gain of \$78,429 related to the warehouse in Ocala should be amortized over five (5) years. (Smith)

FEA: No position at this time.

OPC: No. Amortization should be over three years, for both Ocala and Panama City properties.

STAFF: Amount determined in Issue No. 14 should be amortized over 5 years.

ISSUE 47: What is the appropriate amount of Bad Debt Expense for the projected test year?

WFNG: The appropriate amount of bad debt expense for the projected test year is \$74,703, which is calculated by multiplying operating revenue of \$14,821,929 by 0.504%. This bad debt factor takes into consideration non-utility expense, and is calculated by taking an average of the last three years' net write-offs as a percentage of sales. (SMITH)

FEA: No position at this time.

OPC: Bad debt expense should be no greater than 0.1% of the company's revenues.

STAFF: Bad Debt Expense is \$67,712 after making an adjustment to remove \$1,820 in non-utility expense. (ROMIG, MAKIN)

ISSUE 49: The Company made an adjustment increasing expenses \$20,500 to hire a new salesman in Ocala. Is this appropriate?

WFNG: Agree with Staff. (MCINTYRE)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes. The Company, however, hired the employee in the Distribution Department at a salary of \$22,880; \$21,678 of which is a regulated expense for the projected test year. Account 912 should be increased from the budgeted \$20,500 to \$22,762 or an adjustment of \$2,262. (REVELL)

ISSUE 50: The Company projected that property and liability insurance would increase by 20% per year from the base year to the projected test year. Is this reasonable?

WFNG: Our insurance policies were renewed November 20, 1991, so actual premium costs for the policy year of \$321,724. Over the two years since the sale of LP operations, the Company has experienced an average 10.76% increase in premiums per year. It is therefore reasonable to project this rate will continue, and so our revised estimate of insurance expense in the projected test year is \$356,342.

An adjustment decreasing Account 924 by \$9,222 is appropriate. (SMITH)

FEA: No position at this time.

OPC: No greater than a 5% increase should be allowed.

STAFF: Base year + 1 expenses should reflect the Company's most recent premium of \$321,070 and increased by inflation for the projected test year. Expenses should be reduced \$32,262 in the projected test year. (ROMIG)

ISSUE 52: Should an adjustment be made to Account 923, Outside Services?

WFNG: Yes. Account 923 should be reduced for the projected test year by \$45,517. Fees of \$3,027.56 paid to Thompson & Knight and an SEC filing fee of \$1,000 did not relate to the property exchange. They are recurring expenses for general corporate matters and should not be removed. \$9,627 should be reclassified to Account 930. Bond trustee fees in the Historic Base Year were only \$9,000 after an out of period adjustment of \$9,750 reflected in the MFRs. (SMITH)

FEA: No position at this time.

OPC: Yes. At least \$69,524 should be removed from Account 923.

STAFF: Yes, Account 923 should be reduced by the following in the projected test year:

Audit fees paid from prior year	\$27,438
<u>Expenses</u> Related to the property exchange	18,704
Issuance of title policy for 301 Maple Ave.	215
Nonrecurring payments related to FERC matters	89
Nonrecurring payments related to FCC matters	215
Payments related to potential acquisition	<u>3,387</u>
Total Disallowed	\$ 50,048
Bond Trustee Fees, reclassify to Acct. 930	<u>19,476</u>
Total Adjustment	<u>\$ 69,524</u>

(BRAND)

ISSUE 53: Should additional legal fees in the amount of \$16,627 for FERC representation be allowed?

WFNG: Yes. The Company's filing actually includes less than we expect to incur in fees for FERC representation on an annual basis. (McIntyre)

FEA: No position at this time.

OPC: No.

STAFF: No. This projected expense should be reduced by \$11,085 to amortize the cost over a three-year period beginning July 1, 1991. (BRAND)

ISSUE 56: Should an adjustment be made to Account 926, Other Employee Benefits?

WFNG: Yes. An adjustment should be made of \$450.98 for a sprinkler, of \$339 for T-shirts, of \$244 for gas grill gift, of \$321 for Panama City Music Association membership, of \$1285 for medical travel expense for employee, and of \$1876 for employee discounts. In addition, \$500 should be reclassified to Account 921 - Education and Training. The remaining expenses are reasonable and legitimate costs of doing business. (Smith)

FEA: No position at this time.

OPC: Yes. A reduction of at least \$37,489.

STAFF: Yes, Account 926 should be reduced by the following:

Flowers sent to hospitals and funerals	\$ 1,180
Flowers to decorate buildings	638
Gifts to employees	1,919
Employee Christmas parties	4,965
Relocation expenses	19,251
Sprinkler for J. Edward's house	527
T-shirts	369
Gas grill gift	266
Stop Smoking Program	234
Employee breakfasts and luncheons	2,602
Cakes for birthdays and weddings	679
Panama City Music Assn. membership	350
Medical travel exp. for employee	1,401

Employee Discounts	\$ 2,045
Total Disallowed	\$36,425
MPG meetings (Reclassify to Acct. 921)	\$ 1,064
Total Adjustments (BRAND)	<u>\$37,489</u>

ISSUE 58: What is the appropriate amount of Collection Expense in the projected test year?

WFNG: The appropriate amount of Collection Expense in the Historic Base Year is a 3-year average of Collection Expense, or \$14,533. Trended forward to the Projected Test Year, this amount is \$17,370. An adjustment reducing collection expense by \$11,819 is appropriate. (SMITH)

FEA: No position at this time.

OPC: No position.

STAFF: The appropriate amount of Collection Expense is \$12,773. Account 903 should be reduced by \$14,772. (BRAND)

ISSUE 59: What is the appropriate expense and method of treating the expense associated with West Florida Natural Gas' program to raise water heaters to 18 inches above floor level in garages?

WFNG: As proposed in the Company's filing. (Christmas)

FEA: No position at this time.

OPC: No position.

STAFF: Fifty percent of the projected expense should be borne by the ratepayer. Account 930 should be reduced \$25,000. (MILLS, ROMIG)

ISSUE 60: Should projected test year O&M expense be reduced for non-utility business meals, sales commissions, salary allocations, and dues?

WFNG: No. The Company has made adjustments in its filing to remove these items, and no further adjustments are warranted. (Smith)

FEA: No position at this time.

OPC: Yes. Plus builders' expenses and any other non-utility items and amounts determined after cross examination and any late filed exhibits.

STAFF: The company made adjustments totalling \$38,448 in the base year to remove these expenses. Staff determined that an additional \$1,778 should be removed for builders' expenses. (ROMIG)

ISSUE 61: Should base year operating expenses be adjusted to reflect the replacement of cellular phones with a new communication system in Panama City?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: Yes. Projected test year operating expenses should be reduced by \$4,636 to reflect the removal of cellular telephones which are no longer used or owned by the Company, and increased by \$2,595 to reflect the annualized cost of the new communications system. The net adjustment is a reduction of \$2,049. (MERTA)

ISSUE 63: The Company projected an increase in Education and Training, Account 921, from \$6600 in the historic base year to \$18,207 in the projected test year. Is this reasonable?

WFNG: Yes. (McIntyre)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: No. The historic base year expense should be trended forward to the projected test year for inflation. Account 921 should be reduced by \$10,110 in the projected test year. (BRAND)

ISSUE 64: Should an adjustment be made to reclassify Contractor Cut-Ons the amount of \$7,622.50 from Account 930 to Meter and House Regulator Expenses, Account 878?

WFNG: Agree with Staff. The effect of the different trend factors is an increase to O&M expense of \$962. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: Yes, \$7,622.50 should be reclassified. The effect of this adjustment appears in the trend analysis. (REVELL)

ISSUE 65: What is the proper amount of expenses associated with "Free Service" in Account 930?

WFNG: \$56,181, as reflected in the MFRs and adjusted by the \$7,622.50 in the previous issue. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: "Free Service" expenses include several categories such as safety and complaint visits with customers. The company has not provided any justification for the 542% increase from 1989 to 1991. Therefore, expenses should be reduced \$60,443 in the projected test year. We will reconsider our position upon receipt of proper justification for these expenses. (REVELL)

ISSUE 66: What is the appropriate amount of Rate Case Expense to be included in operating expense?

WFNG: Our revised estimate of rate case expense is \$116,000. The amortization period should be two years, as approved in the Company's last rate case. (SMITH)

FEA: No position at this time.

OPC: It is the utility's burden to justify any allowance to be recovered from the customers. In this case the amount should be limited to the filing fee plus the minimum prudent cost for filing the MFR's. The total should be amortized over 4 years.

STAFF: The appropriate amount of Rate Case Expense is \$115,300, rather than the \$112,000 requested in the MFRs. This amount should be amortized over three years, not the requested two years. The overall effect is to reduce expenses by \$17,567 in the projected test year. (REVELL)

ISSUE 67: Should Account 887 - Maintenance of Mains be increased for maintenance of the mains on the Hathaway Bridge?

WFNG: Yes. CFR 192.481 requires this maintenance to be performed every three years. Expense of \$8,370 should be recovered over three years. The increase in Projected Test Year expense is \$2,790. (Christmas)

FEA: No position at this time.

OPC: Any projected increases should be amortized over four years.

STAFF: Yes. (MILLS)

ISSUE 68: Should regulatory assessment fees be reclassified as taxes other?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes. The company improperly included in Account 928, Regulatory Expenses, \$25,500 for Regulatory Assessment Fees which should be classified as Taxes Other. Staff has reclassified the assessment fees as Taxes Other. (REVELL)

ISSUE 69: What is the appropriate amount of projected test year O&M expense? (This is a calculation).

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WFNG: \$3,987,705. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: The appropriate amount of projected test year O&M expense is \$3,721,077. (ROMIG)

ISSUE 71: What is the appropriate amount of projected test year Depreciation and Amortization Expense? (This is a calculation).

WFNG: \$1,254,431. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: Projected test year Depreciation and Amortization Expense should be \$1,260,005. (BASS, MEEKS, MERTA)

ISSUE 72: Should Gross Receipts Tax be excluded from base rates?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Yes.

STAFF: Yes. Since this expense will be recovered as a separate line item on the customers' bills, it would be appropriate to remove \$333,493 for this expense and also reduce historic base year revenues by \$100,893. The company included Gross Receipts Taxes in expenses including the tax on fuel and conservation revenues. The adjustment to revenues relates to the 1½% tax associated with base non-fuel revenues. (ROMIG)

ISSUE 73: What is the appropriate provision for income taxes, including interest reconciliation, to be included in projected test year expenses? (This is a calculation).

WFNG: Total income tax expense should be \$118,077. Total negative income tax expense should be increased by \$355,917. (SMITH)

FEA: No position at this time.

OPC: Fallout.

STAFF: Total negative income tax expense should be increased by \$442,731 to \$160,160. This includes an adjustment increasing taxes by 362,009 for the tax effect of staff adjustments, decreasing taxes for growth and increasing taxes by 77,315 for interest reconciliation. (HICKS)

ISSUE 75: What is the appropriate amount of projected test year Operating Expenses? (This is a calculation).

WFNG: \$5,689,360. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: Projected test year operating expenses should be \$5,470,465. (MERTA)

ISSUE 76: What is the appropriate amount of projected test year Net Operating Income (NOI)? This is a calculation based on the resolution of projected test year Net Operating Issues above.

WFNG: \$1,116,178. (Bean)

FEA: No position at this time.

OPC: Fallout.

STAFF: Projected test year NOI should be \$1,335,073. (MERTA)

ISSUE 77: What is the appropriate projected test year revenue expansion factor to be used in calculating the 1991 revenue deficiency?

WFNG: 1.6176. This includes a bad debt rate of .504%, rather than the .2417% used in the MFRs. The .504% is a three

year average of write-offs as a percentage of sales. The bad debt experience for 1991 was not known at the time the MFRs were filed. Also, the .3178% subsequently furnished Staff did not take into consideration an adjustment made by our auditors. (SMITH)

FEA: No position at this time.

OPC: The bad debt rate used to calculate the revenue expansion factor should be no greater than 0.1%

STAFF: The correct factor is 1.613. See Attachment 4. (REVELL)
(This number depends on the resolution of Issue 47).

ISSUE 78: What is the appropriate projected test year deficiency?
(This is a calculation).

WFNG: \$1,426,914. (BEAN)

FEA: No position at this time.

OPC: Fallout.

STAFF: The appropriate projected test year deficiency is \$906,931. (ROMIG)

COST OF SERVICE

ISSUE 79: What should the miscellaneous service charges be?

WFNG: Will accept Staff's position. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF:

Initial Connection Residential	\$20.00
Initial Connection Commercial	\$25.00
Reconnection Residential	\$25.00
Reconnection Commercial	\$30.00
Change of Account	\$15.00
Returned Check Charge	5% or \$15.00

(MAKIN)

ISSUE 80: What is the appropriate cost of service methodology to be used in allocating costs to the various rate classes?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: Staff's cost of service study as used by the company.
(MAKIN)

ISSUE 81: Should the Company's proposed revenue requirement allocation be approved?

WFNG: The amounts allocated will change due to changes in revenue requirements. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: No. Revenue requirements have changed due to prior adjustments by Staff. The revenue requirements should be allocated as shown in Attachment 6. (MAKIN)

ISSUE 82: What should the rates and charges be for West Florida Natural Gas Company?

WFNG: To be determined based upon Commission approved revenue requirements. (SMITH)

FEA: No position at this time.

OPC: No position.

STAFF: The rates shown on Attachment 6. (MAKIN)

ISSUE 83: How should the revenue increase, if any, be allocated between customer classes?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: The revenue increase, if any, should be allocated between rate classes so as to move toward equal rates of return for all classes as much as possible. (MAKIN)

ISSUE 84: What are the billing determinants to be used in the projected test year?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: No position.

STAFF: The billing determinants should be increased based on average use over the last three years, multiplied by the increase in customers in the projected test year. This adjustment corrects for West Florida's use of 1991 therms, the lowest in the last ten years, to estimate therm sales in the projected test year. (Attachment 6) (MAKIN)

ISSUE 85: How much, if any, of the \$853,689 interim increase granted by Order No. 25522 issued on December 23, 1991, should be refunded?

WFNG: None.

FEA: No position at this time.

OPC: Any revenues collected in interim rates that exceed the permanent increase granted should be refunded.

STAFF: A refund should be ordered if it is necessary to reduce the rate of return during the pendency of the proceeding to the same level within the range of the newly authorized rate of return which is found fair and reasonable on a prospective basis, as provided by Chapter 366.071, Florida Statutes. (MERTA) (This is a calculation that will be based upon the final revenue increase granted).

ISSUE 86: Should West Florida Natural Gas be required to file, within 30 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements and books and records which will be required as a result of the Commission's findings in this rate case?

WFNG: The Company agrees to file such reports.

FEA: No position at this time.

OPC: No position.

STAFF: Yes. The utility should be required to fully describe the entries and adjustments which will be either recorded or used in preparing reports submitted to the Commission.
(REVELL)

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
McIntyre	WFNG	JEM-1	Letter from WFNG FERC counsel
McIntyre	WFNG	JEM-2	FY 1992 payroll to date
McIntyre	WFNG	JEM-3	Education, Training Expense
McIntyre	Staff	STAFF-1	Late-Filed Deposition Exhibit No. 5 (Smith) - Legal Expense for FERC Dockets
McIntyre	Staff	STAFF-2	Company response to Staff Document Request No. 23(2) - Legal Fees Associated with FERC Dockets, FYE 6/30/89 - 6/30/91
Smith	WFNG	PAS-2	Overhead Allocation
Smith	WFNG	PAS-3	Smith sponsored MFRs

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Smith	WFNG	PAS-4	Emergency One Contract
Smith	WFNG	PAS-5	Compensating Balance Analysis (Composite)
Smith	WFNG	PAS-6	Sample Contractor Invoices (Composite)
Smith	WFNG	PAS-7	Revised environmental cleanup amortization
Smith	WFNG	PAS-8	Short Term Debt Forecast
Smith	WFNG	PAS-9	Identification of out of period adjustments
Smith	WFNG	PAS-10	New employee salary allocation
Smith	WFNG	PAS-11	Employee relocations
Smith	WFNG	PAS-12	Education and Training Expense
Smith	WFNG	PAS-13	Updated Capital structure and debt cost
Smith	WFNG	PAS-14	Calculation of bad debt rate
Smith	WFNG	PAS-15	Insurance Expense
Smith	WFNG	PAS-16	Thompson & Knight invoices and SEC filing fee
Smith	WFNG	PAS-17	Sample of free service charges
Smith	WFNG	PAS-18	Comparison of rate case expense (projected, actual, revised projection)

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Smith	WFNG	PAS-19	Proofs of publication of service hearings (Composite)
Smith	WFNG	PAS-20	Response to Staff audit report
Smith	WFNG	PAS-21	Letter 11/18/64 to Commission
Smith	WFNG	PAS-22	Inflation for PTY
Smith	Staff	STAFF-3	Staff Audit Report
Smith	Staff	STAFF-4	Sample Contractor Invoices June & December 1991
Smith	Staff	STAFF-5	<u>Review of the U.S. Economy</u> , March 1992, DRI/McGraw-Hill
Smith	Staff	STAFF-6	WFNG Monthly Rate of Return Surveillance Report, February 1992
Smith	Staff	STAFF-7	WFNG Payrolls by Dept. for July-Dec. 1990 and July-Dec. 1991
Smith	Staff	STAFF-8	Company-provided schedule of Customer Advances In Aid of Construction
Smith	Staff	STAFF-9	Company response to Staff Document Request No. 9(3) - Audit Fees, FYE 6/30/91
Smith	Staff	STAFF-10	Company response to Staff Document Request No. 12(3) - Reconciliation of MFR C-31 to Account 923
Smith	Staff	STAFF-11	Company response to Staff Document Request No. 25-(1) - Accounts Payable Listing of Account 9262-5029

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Smith	Staff	STAFF-12	Company-provided Employee Benefits Reconciliation
Smith	Staff	STAFF-13	Contract for Deed between Ocala Gas Company, Inc. and Irving Isicoff dated January 30, 1987, for land located in Marion County, Florida
Christmas	WFNG	RBC-1	Correspondence and documents concerning manufactured gas plant site cleanup (Composite)
Christmas	WFNG	RBC-2	Cost estimates concerning cleanup of manufactured gas plant site
Christmas	WFNG	RBC-3	Letter of February 21, 1992 Hubbard/Pence
Christmas	WFNG	RBC-4	Christmas sponsored MFRs
Christmas	Staff	STAFF-14	Staff Engineering Report
Bean	WFNG	TKB-1	Bean sponsored MFRs
Bean	WFNG	TKB-2	Total Gross Additions From 7-1-90 through 6-30-91 (Late-filed Exhibit No. 5 to deposition of Teresa Bean)
Bean	WFNG	TKB-3	Total Retirements to Plant from 7-1-90 through 6-31-91 (Late-filed Exhibit No. 6 to deposition of Teresa Bean)
Bean	WFNG	TKB-4	Transfers, Adjustments or Reclassifications to Plant from 7-1-90 through 6-31-91 (Late-filed Exhibit No. 7 to deposition of Teresa Bean)

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Bean	WFNG	TKB-5	Tentative Plant Balance Reconciliation (Late-filed Exhibit No. 8 to deposition of Teresa Bean)
Bean	WFNG	TKB-6	Verification of Reserve Balance from Order No. 24332 and MFR Schedule B-9 (Late-filed Exhibit No. 9 to deposition of Teresa Bean)
Bean	WFNG	TKB-7	Reserve Account from 7-1-90 through 6-31-91 (Late-filed Exhibit No. 10 to deposition of Teresa Bean)
Bean	WFNG	TKB-8	Calculation of the Meters Account, Depreciation Expense April 1991 (Late-filed Exhibit No. 11 to deposition of Teresa Bean)
Bean	WFNG	TKB-9	Updated long term debt and capital structure
Bean	Staff	STAFF-15	West Florida's Response to Staff's Third Set of Interrogatories, Interrogatory No. 30
Cicchetti	WFNG	MAC-1	Earnings Volatility
Cicchetti	WFNG	MAC-2	Revenue Growth
Cicchetti	WFNG	MAC-3	Sales Concentration
Cicchetti	WFNG	MAC-4	Retailers - Household Appliances - Capital Structure

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Cicchetti WFNG		MAC-5	The Consumer Price Index - Average Annual Percentage Changes and the Five Year Moving Average
Cicchetti WFNG		MAC-6	Yield on Seasoned "A" Rated Utility Bonds - Average Percentage Changes and the Five Year Moving Average
Cicchetti WFNG		MAC-7	Moody's Natural Gas Distribution Index Investment Risk Characteristics
Cicchetti WFNG		MAC-8	DCF Model Equation
Cicchetti WFNG		MAC-9	Two-Stage Growth, Annually Compounded Discounted Cash Flow Analysis for Moody's Natural Gas Distribution Index Benchmarks
Cicchetti WFNG		MAC-10	Estimated Monthly Risk Premiums -Moody's Natural Gas Distribution Index
Cicchetti WFNG		MAC-11	Moody's Natural Gas Distribution Index - Financial Ratios
Cicchetti WFNG		MAC-12	Standard and Poor's Financial Benchmarks
Cicchetti WFNG		MAC-13	Bond Yield Differential
Cicchetti WFNG		MAC-14	Risk Premium Equation
Cicchetti WFNG		MAC-15	Cicchetti Late-filed deposition Exhibit 2 (updated models)
Cicchetti WFNG		MAC-16	Updated Schedule 13

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Various	WFNG	WFL-1	Answers to Staff Interrogatories All exhibits of other parties

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

S ISSUE 48: The Company made an adjustment to the projected test year to allow for increases in postage rates from 29 cents to 30 cents. Is this appropriate?

WFNG: Agree with Staff. Events subsequent to the filing of this rate case indicate that a postal rate increase in the projected test year is less likely than previously envisioned. Postage expense should be reduced by \$12,379. (Bean)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: No. At this time, there is no proposal to increase postage expense. Therefore, expenses should be reduced by \$12,379. (ROMIG)

S ISSUE 51: Should an adjustment be made to Account 921, Office Supplies?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes, Account 921 should be reduced by \$5,555 (4953 + 602) in the projected test year:

Maintenance Agreements	\$ 2,830
Decorating Ocala office	421
Microwave oven	263
Logo pens	1,298
Gas appliance service manuals	<u>141</u>
Total Disallowed	\$ 4,953
Continuing Education (Re: to Acct. 921)	102
Line Sharer (Re: to Acct. 397)	602
Maintenance Agreements (Re: to Acct. 935)	<u>1,800</u>
Total Reclassified	<u>\$ 2,504</u>
Total Adjustment	<u>\$ 7,457</u>
(BRAND)	

S ISSUE 54: Should Maintenance of Other Equipment be reduced for maintenance contracts on unused equipment?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes, Maintenance of Other Equipment should be reduced by \$2,041 in the projected test year for maintenance contracts on unused equipment. (BRAND)

S ISSUE 55: Should Maintenance of Other Equipment be reduced in the projected test year for the costs associated with the maintenance of leased water heaters at no cost to the customers.

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes, Maintenance of Other Equipment be reduced by \$11,277. (REVELL)

S ISSUE 57: Should Account 903 be reduced to disallow cash shortages?

WFNG: Agree with Staff.

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes, Account 903 should be reduced by \$2,278 in the projected test year. (BRAND)

S ISSUE 62: Should \$9,310 be reclassified from Miscellaneous General Expense to Bank Service Fees?

WFNG: Agree with Staff. The effect of the different trend factors is an increase to O&M expense of \$1,174. (Smith)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes, \$9,310 should be reclassified from Miscellaneous General Expense to Bank Service Fees. The effect of this adjustment appears in the trend analysis. (BRAND)

S ISSUE 70: Should Depreciation Expense be reduced to reflect the removal of the non-utility Ocala propane plant from rate base?

WFNG: Agree with Staff. (Bean)

FEA: No position at this time.

OPC: Agree with Staff.

STAFF: Yes. In its MFR's, the company removed the propane plant and accumulated depreciation from rate base. However, the related depreciation expense was not removed. Therefore, Depreciation Expense should be reduced by \$3,871. (REVELL, BASS, MEEKS)

S ISSUE 74: Is the utility's treatment of the amortization related to its investment tax credits appropriate?

WFNG: Agree with Staff. (Smith)

FEA: No position at this time.

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OPC: Agree with Staff, if the ITC's are treated as cost-free in the capital structure.

STAFF: No. ITC amortization should be below the line. Income tax expense should be increased by \$44,731. This amount is included in the above adjustment. The Company should be required to bring its procedures into compliance immediately subject to audit by Commission Staff within 12 months. (HICKS)

IX. PENDING MOTIONS

None.

X. RULINGS

Chairman Beard ruled that the admission of any supplemental prefiled testimony would be determined at the hearing.

It is therefore,

ORDERED by Chairman Thomas M. Beard, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman Thomas M. Beard, as Prehearing Officer, this 20th day of APRIL, 1992


Thomas M. Beard, Chairman
and Prehearing Officer

(S E A L)

MAB:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice

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should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

WEST FLORIDA NATURAL GAS COMPANY
DOCKET NO. 910778-GU
COMPARATIVE AVERAGE RATE BASES
PTY 6/30/93

ATTACHMENT 1
APRIL 17, 1992

ADJ NO	COMPANY AS FILED			COMPANY AS REVISED		STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
PLANT IN SERVICE							
	UTILITY PLANT	27,475,896	(2,008,490)				
1	ACQUISITION ADJUSTMENT	3,412,595	(3,412,595)	465,716		465,716	
2	OKALOOSA CO. EXTENSION					246,154	
3	GULF ASPHALT EXTENSION			(5,000)		292,308	
4	376 MAINS - INVENTORY ADJUSTMENT			(175,307)		(175,307)	
5	ADDITION & RETIREMENT OF COPIERS			(258)		(258)	
6	RETIREMENT OF VEHICLES & EQUIP.			(26,347)		(26,347)	
7	TOOLS NOT USED OR USEFUL			(60,478)		(60,478)	
8	MISSING POWER EQUIPMENT			(65,531)		(65,531)	
9	POWER EQUIPMENT SOLD TO AMERIGAS			(8,423)		(8,423)	
10	COMMUN. EQUIP. NOT USED OR USEFUL			(18,429)		(18,429)	
11	CORRECTIONS TO TEST YR. DATA			(386,356)		(1,139,895)	
15	PROPANE AIR FACILITY - PC			(129,140)		(129,140)	
2/3	CONSTRUCTION WORK IN PROGRESS	0				215,077	
	TOTAL PLANT	30,888,491	(5,421,085)	25,467,406	(409,553)	25,057,853	25,062,853
ACCUM. DEPREC. & AMORT.							
	ACCUM DEPR - UTILITY PLANT	9,987,225	(1,357,686)				
1	ACQUISITION ADJUSTMENT	983,750	(983,750)	398,756		398,756	
2	OKALOOSA CO. EXTENSION			(4,426)		2,650	
3	GULF ASPHALT EXTENSION			(6,202)		3,699	
4	376 MAINS - INVENTORY ADJUSTMENT			(180,610)		(180,610)	
5	ADDITION & RETIREMENT OF COPIERS			(337)		(337)	
6	RETIREMENT OF VEHICLES & EQUIP.			(31,862)		(31,862)	
7	TOOLS NOT USED OR USEFUL			(68,188)		(68,188)	
8	MISSING POWER EQUIPMENT			(79,051)		(79,051)	
9	POWER EQUIPMENT SOLD TO AMERIGAS			(9,953)		(9,953)	
10	COMMUN. EQUIP. NOT USED OR USEFUL			(24,999)		(24,999)	
11	CORRECTIONS TO TEST YR. DATA			(320,950)		(407,929)	
14	SALE OF LP TO AMERIGAS			(78,429)		(78,429)	
15	PROPANE AIR FACILITY - PC			(85,316)		(85,316)	
18	CUSTOMER ADV. IN AID OF CONST. AMOUNT TO BALANCE			(4,665)		36,417	
	TOTAL ACCUM. DEPRECIATION & AMORT.	10,970,975	(2,341,436)	8,629,539	(566,232)	8,063,307	8,104,387
	NET UTILITY PLANT	19,917,516	(3,079,649)	16,837,867	156,679	16,994,546	16,958,466
	WORKING CAPITAL	(1,225,821)	2,454,234	\$1,228,413	(106,046)	1,122,367	935,356
	TOTAL RATE BASE	\$18,691,695	(5625,415)	\$18,066,280	\$50,633	\$18,116,913	\$17,893,822

WEST FLORIDA NATURAL GAS COMPANY
 DOCKET NO. 910778-GU
 COST OF CAPITAL - 13 MONTH AVERAGE
 TEST YEAR ENDING 6/30/93

ATTACHMENT 2

DOLLARS IN THOUSANDS

CAPITAL COMPONENT	COMPANY FILING	ADJUSTMENTS				ADJUSTED	RATIO	%	%
		STAFF	STAFF	PRO RATA	COST RATE			WEIGHTED COST	
COMMON EQUITY	9,574,345	(416,550)	0	(1,389,475)	7,768,320	0.4341	12.00%	5.2096%	
LONG-TERM DEBT	9,110,783	(699,238)	0	(1,276,250)	7,135,295	0.3988	12.36%	4.9286%	
SHORT-TERM DEBT	610,310	0	0	(92,600)	517,710	0.0289	7.00%	0.2025%	
CUSTOMER DEPOSITS	712,858	0	0	(108,159)	604,699	0.0338	7.90%	0.2670%	
DEFERRED TAXES	1,573,426	(37,535)	0	(233,035)	1,302,856	0.0728	0.00%	0.0000%	
TAX CREDITS	682,266	(16,276)	0	(101,048)	564,942	0.0316	0.00%	0.0000%	
TOTAL	22,263,988	(1,169,599)	0	(3,200,567)	17,893,822	1.0000		10.6077%	

OVERALL RATE OF RETURN 10.6077%

EQUITY RATIO 50.37%
 (calculated using investor sources)

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	TAXES OTHER THAN INCOME	687,343	(37,898)				
39	CONSERVATION EXPENSE EFFECT		(75)	75		75	
	TAXES OTHER THAN INCOME-GROW	2,528					
40	EFFECT OF REV. ADJ.			932		932	
68	RECLASS. REQ.ASSESS.FEE			25,500		25,500	
72	GROSS RECEIPTS TAX			(333,493)		(333,493)	
	TOTALS	<u>689,871</u>	<u>(37,973)</u>	<u>651,898</u>	<u>(306,986)</u>	<u>344,912</u>	<u>344,912</u>
14	GAIN ON SALE TO AMERIGAS			(15,689)	(15,689)	(15,689)	(15,689)
	INCOME TAX EXPENSE	(384,602)					
73	TAX EFFECT OF ABOVE		1,7,522	355,917		362,009	
	ADJUST. TO ACTUAL		(89,348)				
73	INCOME TAXES-GROWTH	41,324				(41,324)	
	DEFERRED INCOME TAXES	0	95,211				
	AMORTIZATION OF FASB 96	0	(17,947)				
73	INTEREST RECONCILIATION					77,315	0
74	INVESTMENT TAX CREDITS	(44,731)		44,731		44,731	0
	TOTALS	<u>(388,009)</u>	<u>105,438</u>	<u>(282,571)</u>	<u>400,648</u>	<u>118,077</u>	<u>160,160</u>
	TOTAL OPERATING EXPENSES	<u>14,260,731</u>	<u>(8,517,084)</u>	<u>5,743,647</u>	<u>(54,211)</u>	<u>5,689,360</u>	<u>5,470,465</u>
	NET OPERATING INCOME	<u>\$561,198</u>	<u>\$254,584</u>	<u>\$815,782</u>	<u>\$300,320</u>	<u>\$1,116,178</u>	<u>\$1,335,073</u>

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WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 13, 1992

STAFF	BASE YEAR + 1	PROJECTED TEST YEAR
TREND RATES:	06/30/92	06/30/93
# 1 PAYROLL ONLY	4.50%	5.00%
# 2 CUST GRWTH X PAY	10.46%	10.99%
# 3 CUST GRWTH X INFL	8.87%	9.40%
# 4 INFLATION ONLY	3.00%	3.50%
CUSTOMER GROWTH	5.7000%	5.7000%

} FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS APPLIED
DISTRIBUTION EXPENSE				
870 Payroll-trended	51,884	54,219	56,930	1
Other trended	87,464	90,088	93,241	4
Other not trended	75	77	81	
Total	139,423	144,384	150,252	
871 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
874 Payroll-trended	111,465	123,124	136,656	2
Other trended	43,403	47,253	51,695	3
Other trended	36,553	37,650	38,967	4
Other not trended	(1,980)	(2,056)	(2,130)	
Total	189,441	205,971	225,188	
875 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
876 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
SUB-TOTAL	\$328,864	\$350,355	\$375,439	

DISTRIBUTION EXPENSE

877 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
878 Payroll-trended	50,607	52,884	55,529	1
Other trended	0	0	0	
Other not trended	0	0	0	
Total	50,607	52,884	55,529	

WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 13, 1992

STAFF TREND RATES:	BASE YEAR + 1 06/30/92	PROJECTED TEST YEAR 06/30/93	
# 1 PAYROLL ONLY	4.50%	5.00%	
# 2 CUST GRWTH X PAY	10.46%	10.99%	
# 3 CUST GRWTH X INFL	8.87%	9.40%	
# 4 INFLATION ONLY	3.00%	3.50%	
CUSTOMER GROWTH	5.7000%	5.7000%] FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS- APPLIED
879 Payroll-trended	48,371	53,431	59,303	2
Other trended	16,651	18,128	19,832	3
Other trended	4,681	4,821	4,966	4
Other trended				
Total	69,703	76,380	84,101	
880 Payroll-trended	3,535	3,694	3,879	1
Other Trended	0	0	0	
Other not trended	0	0	0	
Total	3,535	3,694	3,879	
881 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
TOTAL DISTR EXP	\$452,709	\$483,313	\$518,947	

MAINTENANCE EXPENSE

885 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
886 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
887 Payroll-trended	0	0	0	
Other trended	20,903	22,757	24,896	3
Other not trended	0	0	2,790	
Total	20,903	22,757	27,686	
889 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	

WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 12, 1992

STAFF TREND RATES:	BASE YEAR + 1 06/30/92	PROJECTED TEST YEAR 06/30/93	
# 1 PAYROLL ONLY	4.50%	5.00%	
# 2 CUST GRWTH X PAY	10.46%	10.99%	
# 3 CUST GRWTH X INFL	8.87%	9.40%	
# 4 INFLATION ONLY	3.00%	3.50%	
CUSTOMER GROWTH	5.7000%	5.7000%	} FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS APPLIED
890 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
SUB-TOTAL	\$20,903	\$22,757	\$27,686	

MAINTENANCE EXPENSE

891 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
892 Payroll-trended	0	0	0	
Other trended	6,474	7,048	7,711	3
Other not trended	0	0	0	
Total	6,474	7,048	7,711	
893 Payroll-trended	13,099	14,469	16,059	2
Other trended	104,376	113,634	124,316	3
Other not trended	0	0	0	
Total	117,475	128,103	140,375	
894 Payroll-trended	6,254	6,442	6,667	4
Other trended	346	356	369	4
Other not trended				
Total	6,600	6,798	7,036	
TOTAL MAINT EXP	\$151,452	\$164,707	\$182,808	

WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 13, 1992

STAFF TREND RATES:	BASE YEAR	PROJECTED	
	+ 1	TEST YEAR	
	06/30/92	06/30/93	
# 1 PAYROLL ONLY	4.50%	5.00%	
# 2 CUST GRWTH X PAY	10.46%	10.99%	
# 3 CUST GRWTH X INFL	8.87%	9.40%	
# 4 INFLATION ONLY	3.00%	3.50%	
CUSTOMER GROWTH	5.7000%	5.7000%) FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS APPLIED
CUSTOMER ACCT. & COLLEC.				
901 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
902 Payroll-trended	82,663	91,310	101,344	2
Other trended	51,371	55,928	61,185	3
Other not trended	0	0	0	
Total	134,034	147,237	162,529	
903 Payroll-trended	227,473	237,709	249,595	1
Other trended	23,609	24,317	25,168	4
Other not trended	41	42	43	4
Other not trended	220,457	225,620	238,481	\$18,801.69/MONTH HBY+1 CUSTOMER GROWTH PTY
Other trended				
Other not trended	(14,184)	(15,570)	(17,050)	
Total	457,396	472,119	496,237	
904 Payroll-trended	0	0	0	
Other not trended	62,235	65,782	69,532	CUSTOMER GROWTH ONLY
Other not trended	(1,629)	(1,722)	(1,820)	
Total	60,606	64,061	67,712	
905 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
909 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
TOTAL CUST SERV EXP	\$652,036	\$683,417	\$726,479	

SALES PROMOTION EXPENSE

911 Payroll-trended	0	0	0
Other trended	0	0	0
Other not trended	0	0	0
Total	0	0	0

WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 13, 1992

STAFF TREND RATES:	BASE YEAR	PROJECTED
	+ 1 06/30/92	TEST YEAR 06/30/93
# 1 PAYROLL ONLY	4.50%	5.00%
# 2 CUST GRWTH X PAY	10.46%	10.99%
# 3 CUST GRWTH X INFL	8.87%	9.40%
# 4 INFLATION ONLY	3.00%	3.50%
CUSTOMER GROWTH	5.7000%	5.7000%

} FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL	BASE YEAR	PROJECTED	TREND
	COMBINED BASE YEAR	+ 1	TEST YEAR	BASIS APPLIED
912 Payroll-trended	46,597	48,694	51,129	1
Other trended	10,030	10,920	11,946	3
Other not trended	6,132	6,482	6,851	CUSTOMER GROWTH ONLY
Other not trended	0	10,000	20,500	
Other not trended		11,678	2,262	
Other not trended	4,596	4,596	4,596	
Total	67,355	92,369	97,284	
913 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
916 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
TOTAL SELLING EXP	\$67,355	\$92,369	\$97,284	

ADMINISTRATIVE & GENERAL

920 Payroll-trended	581,501	607,669	638,052	1
Other trended	0	0	0	
Other not trended	0	0	0	
Total	581,501	607,669	638,052	
921 Payroll-trended	0	0	0	
Other trended	184,535	200,903	219,788	3
Other trended	108,028	111,269	115,163	4
Other not trended	0	78	104	GARBAGE TIPPING FEE INCREA
Other not trended	82,727	116,795	116,103	% OF PAYROLL & OTHER FACT
Other not trended	88,123	112,307	127,222	
Other not trended			(12,379)	
Other trended	(4,621)	(5,072)	(5,555)	
Other trended	(1,587)	(1,683)	(1,778)	
Other trended	0	0	(10,110)	
Total	457,205	534,597	548,550	

WEST FLORIDA NATURAL GAS COMPANY
 O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
 APRIL 13, 1992

STAFF TREND RATES:	BASE YEAR	PROJECTED	
	+ 1	TEST YEAR	
	06/30/92	06/30/93	
# 1 PAYROLL ONLY	4.50%	5.00%	
# 2 CUST GRWTH X PAY	10.46%	10.99%	
# 3 CUST GRWTH X INFL	8.87%	9.40%	
# 4 INFLATION ONLY	3.00%	3.50%	
CUSTOMER GROWTH	5.7000%	5.7000%] FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS APPLIED
922 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	(70,640)	(71,955)	(76,127)	6.48% OF ADMINISTRATIVE E
Total	(70,640)	(71,955)	(76,127)	
923 Payroll-trended	0	0	0	
Other trended	157,797	162,531	168,219	4
Other not trended	0	16,049	16,627	ADDITIONAL LEGAL EXPENS
Other not trended			(11,085)	
Other trended	(48,519)	(48,310)	(50,048)	
Total	111,278	130,270	123,713	
924 Payroll-trended	0	0	0	
Other not trended	24,845	27,815	33,954	% OF PAYROLL
Other not trended	283,611	304,637	365,564	
Other not trended		17,083	(32,262)	
Total	308,456	349,535	367,256	
925 Payroll-trended	0	0	0	
Other trended	0	0	0	
Other not trended	0	0	0	
Total	0	0	0	
SUB-TOTAL	\$1,387,800	\$1,550,116	\$1,601,453	

ADMINISTRATIVE & GENERAL

926 Payroll-trended	0	0	0	
Other not trended	209,607	240,562	254,096	% OF PAYROLL & OTHER FA
Other trended	(31,190)	(34,484)	(36,425)	
Total	178,417	206,078	217,671	
928 Payroll-trended	0	0	0	
Other not trended	42,471	123,062	178,796	
Other not trended			(43,067)	
Total	42,471	123,062	135,729	

WEST FLORIDA NATURAL GAS COMPANY
O&M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

ATTACHMENT 3A
APRIL 13, 1992

STAFF	BASE YEAR + 1	PROJECTED TEST YEAR	
TREND RATES:	06/30/92	06/30/93	
# 1 PAYROLL ONLY	4.50%	5.00%	
# 2 CUST GRWTH X PAY	10.46%	10.99%	
# 3 CUST GRWTH X INFL	8.87%	9.40%	
# 4 INFLATION ONLY	3.00%	3.50%	
CUSTOMER GROWTH	5.7000%	5.7000%) FOR INFORMATIONAL PURPOSES

ACCOUNT	TOTAL COMBINED BASE YEAR	BASE YEAR + 1	PROJECTED TEST YEAR	TREND BASIS APPLIED
930 Payroll-trended	0	0	0	
Other trended	72,690	74,871	77,491	4
Other not trended	49,739	107,601	107,601	NEW OVERHEAD ALLOCATIO
Other not trended	0	4,167	50,000	
Other not trended			(25,000)	
Other trended	(56,180)	(58,343)	(60,443)	
Total	66,249	128,296	149,649	
931 Payroll-trended	0	0	0	
Other not trended	37,328	38,448	39,794	4
Other not trended	0	0	0	
Total	37,328	38,448	39,794	
935 Payroll-trended	0	0	0	
Other trended	60,580	62,397	64,581	4
Other trended	(11,278)	(12,268)	(13,318)	2
Total	49,302	50,129	51,263	
TOTAL A & G EXP	1,761,567	2,096,128	2,195,559	
TOTAL O&M EXPENSES	\$3,085,119	\$3,519,934	\$3,721,077	

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WEST FLORIDA NATURAL GAS COMPANY
 DOCKET NO. 910778-GU
 NET OPERATING INCOME MULTIPLIER
 PTY 06/30/93

ATTACHMENT 4
 APRIL 17, 1992

<u>DESCRIPTION</u>	<u>COMPANY AS FILED</u>	<u>COMPANY AS REVISED</u>	<u>STAFF</u>
REVENUE REQUIREMENT	100.0000%	100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	0.0000%	0.0000%	0.0000%
REGULATORY ASSESSMENT FEE	0.3750%	0.3750%	0.3750%
BAD DEBT RATE	0.2417%	0.5040%	0.2184%
NET BEFORE INCOME TAXES	<u>99.3833%</u>	<u>99.1210%</u>	<u>99.4066%</u>
STATE INCOME TAX RATE	5.5000%	5.5000%	5.5000%
STATE INCOME TAX	5.4661%	5.4517%	5.4674%
NET BEFORE FEDERAL INCOME TAXES	<u>93.9172%</u>	<u>93.6693%</u>	<u>93.9392%</u>
FEDERAL INCOME TAX RATE	34.0000%	34.0000%	34.0000%
FEDERAL INCOME TAXES	31.9319%	31.8476%	31.9393%
REVENUE EXPANSION FACTOR	<u>61.9854%</u>	<u>61.8218%</u>	<u>61.9999%</u>
NET OPERATING INCOME MULTIPLIER	<u>1.6133%</u>	<u>1.6176%</u>	<u>1.6129%</u>

WEST FLORIDA NATURAL GAS COMPANY
 DOCKET NO. 910778-GU
 COMPARATIVE DEFICIENCY CALCULATIONS
 PTY 6/30/93

ATTACHMENT 5
 APRIL 17, 1992

	COMPANY AS FILED	COMPANY AS REVISED	STAFF
RATE BASE (AVERAGE)	\$18,066,280	\$18,116,913	\$17,893,822
RATE OF RETURN	X 11.14%	X 11.03%	X 10.60%
REQUIRED NOI	<u>\$2,012,584</u>	<u>\$1,998,296</u>	<u>\$1,897,371</u>
Operating Revenues	\$6,559,429	\$6,805,538	\$6,805,538
Operating Expenses:			
Operation & Maintenance	4,130,177	3,987,795	3,721,077
Depreciation & Amortization	1,244,143	1,254,431	1,260,005
Taxes Other Than Income Tax	651,898	344,912	344,912
Current Income Taxes	(282,571)	118,077	160,160
Gain on Sale to Amerigas		(15,689)	(15,689)
Total Operating Expenses	<u>5,743,647</u>	<u>5,689,360</u>	<u>5,470,465</u>
ACHIEVED NOI	<u>\$815,782</u>	<u>\$1,116,178</u>	<u>\$1,335,073</u>
NET REVENUE DEFICIENCY	1,196,802	882,118	562,298
REVENUE TAX FACTOR	1.613	1.618	1.613
TOTAL REVENUE DEFICIENCY	<u>\$1,930,800</u>	<u>\$1,426,913</u>	<u>\$906,931</u>

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 1 of 2:PLANT)

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT	0		0		100% capacity
INTANGIBLE PLANT:	37124		37124		"
PRODUCTION PLANT	0		0		"
DISTRIBUTION PLANT:					"
374 Land and Land Rights	159520		159520		"
375 Structures and Improvements	488		488		"
376 Mains	12503979		12503979		"
377 Comp.Sta.Eq.	0		0		"
378 Meas. & Reg.Sta.Eq.-Gen	220421		220421		"
379 Meas. & Reg.Sta.Eq.-CG	328678		328678		"
380 Services	4466351	4466351			100% customer
381-382 Meters	2798734	2798734			"
383-384 House Regulators	1422187	1422187			"
385 Industrial Meas. & Reg.Eq.	0		0		100% capacity
386 Property on Customer Premises	0	0	0	0	ac 374-385
387 Other Equipment	0	0	0	0	ac 374-386
Total Distribution Plant	21900358	8687272	13213086	0	21900358
GENERAL PLANT:	2444581	1222291	1222291		50% customer,50%, capacity
PLANT ACQUISITIONS:	465716		465716		100% capacity
GAS PLANT FOR FUTURE USE:	0		0		"
CWIP:	215077	85315	129762	0	dist.plant
TOTAL PLANT	25062856	9994878	15067978	0	25062856 checksum

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 2 of 2: ACCUMULATED DEPRECIATION)

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	related plant
INTANGIBLE PLANT:	0	0	0	0	rel. plant account
PRODUCTION PLANT	0		0		
DISTRIBUTION PLANT:					
375 Structures and Improvements	23	0	23	0	"
376 Mains	4433601	0	4433601	0	"
377 Compressor Sta. Eq.	0	0	0	0	"
378 Meas. & Reg. Sta. Eq.-Gen	13395	0	13395	0	"
379 Meas. & Reg. Sta. Eq.-CG	53946	0	53946	0	"
380 Services	1101137	1101137	0	0	"
381-382 Meters	1010649	1010649	0	0	"
383-384 House Regulators	439884	439884	0	0	"
385 Indust. Meas. & Reg. Sta. Eq.	0	0	0	0	"
386 Property on Customer Premises	0	0	0	0	"
387 Other Equipment	0	0	0	0	"
Total A.D. on Dist. Plant	7052635	2551670	4500965	0	7052635 checksum
GENERAL PLANT:	580524	290262	290262	0	general plant
PLANT ACQUISITIONS:	434813	0	434813	0	plant acquisitions
RETIREMENT WORK IN PROGRESS:	0	0	0	0	distribution plant
TOTAL ACCUMULATED DEPRECIATION	8067972	2841932	5226040	0	8067972 checksum
NET PLANT (Plant less Accum. Dep.)	16994884	7152946	9841938	0	16994884 checksum
less: CUSTOMER ADVANCES	-36417	-18209	-18209		50% cust 50% cap
plus: WORKING CAPITAL	935356	686824	207241	41290	oper. and maint. exp.
equals: TOTAL RATE BASE	17893823	7821562	10030971	41290	17893823 checksum

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 1 of 2)

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
PRODUCTION PLANT	0		0		100% capacity
DISTRIBUTION:					
870 Operation Supervision & Eng.	150252	61443	88809	0	ac 871-879
871 Dist.Load Dispatch	0		0		100% capacity
872 Compr.Sta.Lab. & Ex.	0	0	0	0	ac 377
873 Compr.Sta.Fuel & Power	0			0	100% commodity
874 Mains and Services	225188	59266	165922	0	ac376+ac380
875 Meas.& Reg. Sta.Eq.-Gen	0	0	0	0	ac 378
876 Meas.& Reg. Sta.Eq.-Ind.	0	0	0	0	ac 385
877 Meas.& Reg. Sta.Eq.-CG	0	0	0	0	ac 379
878 Meter and House Reg.	55529	55529	0	0	ac381+ac383
879 Customer Instal.	0	0	0	0	ac 386
880 Other Expenses	87980	47339	40641	0	ac 387
881 Rents	0		0		100% capacity
885 Maintenance Supervision	0	0	0	0	ac886-894
886 Maint. of Struct. and Improv.	0	0	0	0	ac375
887 Maintenance of Mains	27686	0	27686	0	ac376
888 Maint. of Comp.Sta.Eq.	0	0	0	0	ac 377
889 Maint. of Meas.& Reg. Sta.Eq.-G	0	0	0	0	ac 3/8
890 Maint. of Meas.& Reg. Sta.Eq.-I	0	0	0	0	ac 385
891 Maint. of Meas.& Reg.Sta.Eq.-CG	0	0	0	0	ac 379
892 Maintenance of Services	7711	7711	0	0	ac 380
893 Maint. of Meters and House Reg.	140375	140375	0	0	ac381-383
894 Maint. of Other Equipment	7036	5928	1108	0	ac387
Total Distribution Expenses	701757	377592	324165	0	701757 che
CUSTOMER ACCOUNTS:					
901 Supervision	0	0			100% customer
902 Meter-Reading Expense	162529	162529			"
903 Records and Collection Exp.	496237	496237			"
904 Uncollectible Accounts	69693			69693	100% commodity
905 Misc. Expenses	0	0			100% customer
Total Customer Accounts	728459	658766	0	69693	"
(907-910) CUSTOMER SERV.& INFO. EXP.	0	0			"
(911-916) SALES EXPENSE	97284	97284			"
(932) MAINT. OF GEN. PLANT	51263	25632	25632	0	general plant
(920-931) ADMINISTRATION AND GENERAL	2144296	1574539	475099	94658	0 O&M exc! A&G
TOTAL O&M EXPENSE	3723059	2733812	824896	164351	3723059 che

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 2 of 2)

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

DEPRECIATION AND AMORTIZATION EXPENSE:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
Depreciation Expense	1213255	510645	702610	0		net plant
Amort. of Other Gas Plant	0		0			100% capacity
Amort. of Property Loss	0		0			100% capacity
Amort. of Limited-term Inv.	0	0	0	0		intangible plan
Amort. of Acquisition Adj.	31061	12624	18437	0		intan/dist/gen
Amort. of Conversion Costs	0			0		100% commodity
Total Deprec. and Amort. Expense	1244316	523269	721047	0	0	1244316 che
TAXES OTHER THAN INCOME TAXES:						
Revenue Related	28901				28901	100% revenue
Other	316952	133401	183551	0		net plant
Total Taxes other than Income Taxes	345853	133401	183551	0	28901	
REV. CRDT TO COS (NEG. OF OTHR OPR. REV)	-201190	-201190				100% customer
RETURN (REQUIRED NOI)	1897371	829359	1063634	4378		rate base
INCOME TAXES	499413	218298	279962	1152	0	return(noi)
TOTAL OVERALL COST OF SERVICE	7508822	4236950	3073090	169882	28901	7508822 che

SCHEDULE - C (COST OF SERVICE)
DEVELOPMENT OF ALLOCATION FACTORS

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

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CUSTOMER COSTS	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT
No. of Customers	26267	24192	2061	8	2	1	2	1
Weighting	NA	1	3	24	24	35	35	35
Weighted No. of Customers	30755	24192	6183	192	48	35	70	35
Allocation Factors	1	0.786603804	0.20104048	0.006242887	0.00156072	0.001138	0.002276	0.0011380

CAPACITY COSTS

Peak & Avg. Month Sales Vol.(therms)	15631955	1690134	1678330	705795	253353	8898804	622117	1783422
Allocation Factors	1	0.108120449	0.10736532	0.045150782	0.01620737	0.569270	0.039797	0.1140882
Miles of Main Allocation	682	297	248	116	12	3	3	3
Allocation Factors	1	0.435483871	0.36363636	0.170087976	0.01759530	0.004398	0.004398	0.0043988
Annual Sales Vol.(therms)	41012879	7967383	9575588	3615943	2156416	4352181	2700381	10644987
Allocation Factors	1	0.194265391	0.23347758	0.088166036	0.05257899	0.106117	0.065842	0.2595522

REVENUE-RELATED COSTS

Tax on Cust, Cap, & Commod.	28050	17563	7031	1994	260	692	164	346
Allocation Factors	1	0.626134628	0.25065421	0.071073571	0.00926700	0.024679	0.005841	0.0123502

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

SCHEDULE - D (COST OF SERVICE)
ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

ATTACHMENT 6

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RATE BASE BY CUSTOMER CLASS	TOTAL RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT	
DIRECT AND SPECIAL ASSIGNMENTS:								
Customer								
Meters	1788085	1406514	359477	11163	2791	2035	4070	2035
House Regulators	982303	982303	0	0	0	0	0	0
Services	3365214	2647090	676544	21009	5252	3830	7659	3830
All Other	1685960	1326182	338946	10525	2631	1919	3837	1919
Total	7821562	6362090	1374968	42697	10674	7783	15567	7783
Capacity								
Industrial Meas.& Reg. Sta. Eq.	20533	0	0	0	0	10267	0	10267
Meas.&Reg.Sta.Eq.-Gen.	181993	19677	19540	8217	2950	103603	7243	20763
Mains	8070378	3514519	2934683	1372674	142001	35500	35500	35500
All Other	1758067	190083	188755	79378	28494	1000815	69967	200575
Total	10030971	3724280	3142978	1460269	173444	1150185	112710	267105
Commodity								
Account #	0	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0	0
All Other	41290	8021	9640	3640	2171	4382	2719	10717
Total	41290	8021	9640	3640	2171	4382	2719	10717
TOTAL	17893823	10094391	4527586	1506607	186289	1162350	130995	285605

SCHEDULE - E (COST OF SERVICE) ATTACHMENT 6
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 1 of 2)

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

ORDER NO. PSC-92-0227-PCO-GU
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	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT
Customer	0	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0	0
Commodity	0	0	0	0	0	0	0	0
Revenue	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
OPERATIONS AND MAINTENANCE EXPENSE:								
DIRECT AND SPECIAL ASSIGNMENTS:								
Customer								
878 Meters and House Regulators	55529	43679	11164	347	87	63	126	63
893 Maint. of Meters & House Reg.	140375	110420	28221	876	219	160	320	160
874 Mains & Services	59266	46619	11915	370	92	67	135	67
892 Maint. of Services	7711	6066	1550	48	12	9	18	9
All Other	2470931	1943644	496757	15426	3856	2812	5624	2812
Total	2733812	2150427	549607	17067	4267	3111	6222	3111
Capacity								
876 Measuring & Reg. Sta. Eq.- I	0	0	0	0	0	0	0	0
890 Maint. of Meas. & Reg. Sta. Eq.- I	0	0	0	0	0	0	0	0
874 Mains and Services	165922	72256	60335	28221	2919	730	730	730
887 Maint. of Mains	27686	12057	10068	4709	487	122	122	122
All Other	631288	274916	229559	107374	11108	2777	2777	2777
Total	824896	359229	299962	140305	14514	3629	3629	3629
Commodity								
Account #	0	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0	0
All Other	164351	31928	38372	14490	8641	17440	10821	42658
Total	164351	31928	38372	14490	8641	17440	10821	42658
TOTAL O&M	3723059	2541584	887941	171862	27422	24180	20672	49397
DEPRECIATION EXPENSE:								
Customer	510645	401675	102660	3188	797	581	1162	581
Capacity	702610	305975	255495	119506	12363	3091	3091	3091

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

SCHEDULE - E (COST OF SERVICE)
ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
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ATTACHMENT 6

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	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT
TAXES OTHER THAN INCOME TAXES:								
Customer	133401	104934	26819	833	208	152	304	152
Capacity	183551	79933	66746	31220	3230	807	807	807
Subtotal	316952	184867	93565	32053	3438	959	1111	959
Revenue	28901	18096	7244	2054	268	713	169	357
Total	345853	202963	100809	34107	3706	1672	1280	1316
RETURN (NOI)								
Customer	829359	674604	145795	4527	1132	825	1651	825
Capacity	1063634	394904	333266	154840	18391	121960	11951	28322
Commodity	4378	851	1022	386	230	465	288	1136
Total	1897371	1070358	480082	159753	19753	123250	13890	30284
INCOME TAXES								
Customer	218298	177565	38375	1192	298	217	434	217
Capacity	279962	103944	87720	40756	4841	32101	3146	7455
Commodity	1152	224	269	102	61	122	76	299
Total	499413	281732	126364	42049	5199	32441	3656	7971
REVENUE CREDITED TO COS:								
Customer	-201190	120714	-80476	0	0	0	0	0
TOTAL COST OF SERVICE:								
Customer	4236950	3398421	785318	26885	6721	4901	9802	4901
Capacity	3073090	1252014	1049892	489762	53663	161669	22705	43385
Commodity	169882	33002	39664	14978	8932	18027	11185	44093
Subtotal	7479921	4683438	1874874	531625	69316	184597	43692	92379
Revenue	28901	18096	7244	2054	268	713	169	357
Total	7508822	4701533	1882118	533679	69584	185311	43861	92736

SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT
CUSTOMER COSTS	4,236,950	3,398,421	785,318	26,885	6,721	4,901	9,802	4,901
CAPACITY COSTS	3,073,090	1,252,014	1,049,892	489,762	53,663	161,669	22,705	43,385
COMMODITY COSTS	169,882	33,002	39,664	14,978	8,932	18,027	11,185	44,093
REVENUE COSTS	28,901	18,096	7,244	2,054	268	713	169	357
TOTAL	7,508,822	4,701,533	1,882,118	533,679	69,584	185,311	43,861	92,736
less:REVENUE AT PRESENT RATES (in the attrition year)	100,893	58854	24388	7285	1631	3258	1143	4333
less:REVENUE AT PRESENT RATES (in the attrition year)	6,625,286	3,864,765	1,601,479	478,363	107,124	213,916	75,088	284,552
equals: GAS SALES REVENUE DEFICIENCY	883,536	836,769	280,639	55,316	(37,539)	(28,606)	(31,227)	(191,816)
plus:DEFICIENCY IN OTHER OPERATING REV.	23,408	14,045	9,363	0	0	0	0	0
equals:TOTAL BASE-REVENUE DEFICIENCY	906,944	850,814	290,002	55,316	(37,539)	(28,606)	(31,227)	(191,816)
=====								
UNIT COSTS:								
Customer	13.441929	11.706422	31.753113	280.056283	280.056283	408.415412	408.415412	408.415412
Capacity	0.196590	0.740778	0.625558	0.693915	0.211811	0.018167	0.036496	0.024327
Commodity	0.004142	0.004142	0.004142	0.004142	0.004142	0.004142	0.004142	0.004142

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COMPANY NAME: WEST FLORIDA
 DOCKET NO. 910778-GU

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2:PRESENT RATES)

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	TOTAL RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT	
REVENUES: (projected test year)								
Gas Sales (due to growth)	6,625,286	3,864,765	1,601,479	478,363	107,124	213,916	75,088	284,552
Other Operating Revenue	177,782	106,669	71,113	0	0	0	0	0
Total	6,803,068	3,971,434	1,672,592	478,363	107,124	213,916	75,088	284,552
EXPENSES:								
Purchased Gas Cost	0	0	0	0	0	0	0	0
O&M Expenses	3,723,059	2,541,584	887,941	171,862	27,422	24,180	20,672	49,397
Depreciation Expenses	1,213,255	707,651	358,155	122,693	13,160	3,672	4,253	3,672
Amortization Expenses	31,061	17,959	9,242	3,215	344	95	110	95
Taxes Other Than Income--Fixed	316,952	184,867	93,565	32,053	3,438	959	1,111	959
Taxes Other Than Income--Revenue	25,512	14,893	6,272	1,794	402	802	282	1,067
Total ExpSES excl. Income Taxes	5,309,839	3,466,954	1,355,175	331,616	44,766	29,709	26,427	55,191
INCOME TAXES:	97,342	54,913	24,630	8,196	1,013	6,323	713	1,554
NET OPERATING INCOME:	1,395,888	449,567	292,786	138,551	61,345	177,884	47,947	227,807

RATE BASE:	17,893,823	10,094,391	4,527,586	1,506,607	186,289	1,162,350	130,995	285,605
RATE OF RETURN	0.078009	0.044536	0.064667	0.091962	0.329297	0.153039	0.366024	0.797630

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

SCHEDULE - G (COST OF SERVICE)
RATE OF RETURN BY CUSTOMER CLASS
(Page 2 of 2: PROPOSED RATES)

ATTACHMENT 6

	TOTAL RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT	
REVENUES:								
Gas Sales	7,508,822	4,494,140	1,818,393	515,610	107,124	213,916	75,088	284,552
Other Operating Revenue	201,190	120,714	80,476	0	0	0	0	0
Total	7,710,012	4,614,854	1,898,869	515,610	107,124	213,916	75,088	284,552
EXPENSES:								
Purchased Gas Cost	0	0	0	0	0	0	0	0
O&M Expenses	3,723,059	2,541,584	887,941	171,862	27,422	24,180	20,672	49,397
Depreciation Expenses	1,213,255	707,651	358,155	122,693	13,160	3,672	4,253	3,672
Amortization Expenses	31,061	17,959	9,242	3,215	344	95	110	95
Taxes Other Than Income--Fixed	316,952	184,867	93,565	32,053	3,438	959	1,111	959
Taxes Other Than Income--Revenue	28,901	17,306	7,121	1,934	402	802	282	1,067
Total Expes excl. Income Taxes	5,313,228	3,469,366	1,356,024	331,756	44,766	29,709	26,427	55,191
PRE TAX NOI:	2,396,784	1,145,487	542,845	183,853	62,358	184,208	48,660	229,361
INCOME TAXES:	499,413	238,683	113,112	38,309	12,993	38,383	10,139	47,791
NET OPERATING INCOME:	1,897,371	906,805	429,734	145,544	49,365	145,825	38,521	181,569

RATE BASE:	17,893,823	10,094,391	4,527,586	1,506,607	186,289	1,162,350	130,995	285,605
RATE OF RETURN	0.106035	0.089833	0.094915	0.096604	0.264989	0.125457	0.294063	0.635736

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COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: RESIDENTIAL

PRESENT RATES

Customer Charge
 6.00

PROPOSED RATES

Customer Charge
 7.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	26.484

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	30.901

Gas Cost Cents/Therm 32.044
 Therm usage increment 10

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	6.00	6.00	7.00	7.00	16.67	16.67	1.00
10	8.65	11.85	10.09	13.29	16.67	12.16	1.44
20	11.30	17.71	13.18	19.59	16.67	10.64	1.88
30	13.95	23.56	16.27	25.88	16.67	9.87	2.33
40	16.59	29.41	19.36	32.18	16.67	9.41	2.77
50	19.24	35.26	22.45	38.47	16.67	9.10	3.21
60	21.89	41.12	25.54	44.77	16.67	8.88	3.65
70	24.54	46.97	28.63	51.06	16.68	8.71	4.09
80	27.19	52.82	31.72	57.36	16.68	8.58	4.53
90	29.84	58.68	34.81	63.65	16.68	8.48	4.98
100	32.48	64.53	37.90	69.95	16.68	8.39	5.42
110	35.13	70.38	40.99	76.24	16.68	8.32	5.86
120	37.78	76.23	44.08	82.53	16.68	8.26	6.30
130	40.43	82.09	47.17	88.83	16.68	8.21	6.74
140	43.08	87.94	50.26	95.12	16.68	8.17	7.18
150	45.73	93.79	53.35	101.42	16.68	8.13	7.63
160	48.37	99.64	56.44	107.71	16.68	8.10	8.07
170	51.02	105.50	59.53	114.01	16.68	8.07	8.51
180	53.67	111.35	62.62	120.30	16.68	8.04	8.95
190	56.32	117.20	65.71	126.60	16.68	8.01	9.39

COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL

PRESENT RATES

Customer Charge
 15.00

PROPOSED RATES

Customer Charge
 10.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	12.928

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	16.407

Gas Cost Cents/Therm 32.044
 Therm usage increment 100

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	15.00	15.00	10.00	10.00	(33.33)	(33.33)	-5.00
100	27.93	59.97	26.41	58.45	(5.45)	(2.54)	-1.52
200	40.86	104.94	42.81	106.90	4.79	1.87	1.96
300	53.78	149.92	59.22	155.35	10.11	3.63	5.44
400	66.71	194.89	75.63	203.80	13.36	4.57	8.92
500	79.64	239.86	92.04	252.26	15.56	5.17	12.40
600	92.57	284.83	108.44	300.71	17.15	5.57	15.87
700	105.50	329.80	124.85	349.16	18.34	5.87	19.35
800	118.42	374.78	141.26	397.61	19.28	6.09	22.83
900	131.35	419.75	157.66	446.06	20.03	6.27	26.31
1000	144.28	464.72	174.07	494.51	20.65	6.41	29.79
1100	157.21	509.69	190.48	542.96	21.16	6.53	33.27
1200	170.14	554.66	206.88	591.41	21.60	6.63	36.75
1300	183.06	599.64	223.29	639.86	21.97	6.71	40.23
1400	195.99	644.61	239.70	688.31	22.30	6.78	43.71
1500	208.92	689.58	256.11	736.77	22.59	6.84	47.19
1600	221.85	734.55	272.51	785.22	22.84	6.90	50.66
1700	234.78	779.52	288.92	833.67	23.06	6.95	54.14
1800	247.70	824.50	305.33	882.12	23.26	6.99	57.62
1900	260.63	869.47	321.73	930.57	23.44	7.03	61.10

COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL LARGE VOLUME

PRESENT RATES

Customer Charge
 15.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	12.928

PROPOSED RATES

Customer Charge
 100.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	13.994

Gas Cost Cents/Therm 32.044
 Therm usage increment 10,000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	15.00	15.00	100.00	100.00	566.67	566.67	85.00
10000	1,307.80	4,512.20	1,499.40	4,703.80	14.65	4.25	191.60
20000	2,600.60	9,009.40	2,898.80	9,307.60	11.47	3.31	298.20
30000	3,893.40	13,506.60	4,298.20	13,911.40	10.40	3.00	404.80
40000	5,186.20	18,003.80	5,697.60	18,515.20	9.86	2.84	511.40
50000	6,479.00	22,501.00	7,097.00	23,119.00	9.54	2.75	618.00
60000	7,771.80	26,998.20	8,496.40	27,722.80	9.32	2.68	724.60
70000	9,064.60	31,495.40	9,895.80	32,326.60	9.17	2.64	831.20
80000	10,357.40	35,992.60	11,295.20	36,930.40	9.05	2.61	937.80
90000	11,650.20	40,489.80	12,694.60	41,534.20	8.96	2.58	1044.40
100000	12,943.00	44,987.00	14,094.00	46,138.00	8.89	2.56	1151.00
110000	14,235.80	49,484.20	15,493.40	50,741.80	8.83	2.54	1257.60
120000	15,528.60	53,981.40	16,892.80	55,345.60	8.79	2.53	1364.20
130000	16,821.40	58,478.60	18,292.20	59,949.40	8.74	2.52	1470.80
140000	18,114.20	62,975.80	19,691.60	64,553.20	8.71	2.50	1577.40
150000	19,407.00	67,473.00	21,091.00	69,157.00	8.68	2.50	1684.00
160000	20,699.80	71,970.20	22,490.40	73,760.80	8.65	2.49	1790.60
170000	21,992.60	76,467.40	23,889.80	78,364.60	8.63	2.48	1897.20
180000	23,285.40	80,964.60	25,289.20	82,968.40	8.61	2.47	2003.80
190000	24,578.20	85,461.80	26,688.60	87,572.20	8.59	2.47	2110.40

COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: INDUSTRIAL

PRESENT RATES

Customer Charge
 50.00

PROPOSED RATES

Customer Charge
 100.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	4.99

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	4.856

Gas Cost Cents/Therm Therm usage increment
 32.044 10,000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	50.00	50.00	100.00	100.00	100.00	100.00	50.00
10000	549.00	3,753.40	585.60	3,790.00	6.67	0.98	36.60
20000	1,048.00	7,456.80	1,071.20	7,480.00	2.21	0.31	23.20
30000	1,547.00	11,160.20	1,556.80	11,170.00	0.63	0.09	9.80
40000	2,046.00	14,863.60	2,042.40	14,860.00	(0.18)	(0.02)	-3.60
50000	2,545.00	18,567.00	2,528.00	18,550.00	(0.67)	(0.09)	-17.00
60000	3,044.00	22,270.40	3,013.60	22,240.00	(1.00)	(0.14)	-30.40
70000	3,543.00	25,973.80	3,499.20	25,930.00	(1.24)	(0.17)	-43.80
80000	4,042.00	29,677.20	3,984.80	29,620.00	(1.42)	(0.19)	-57.20
90000	4,541.00	33,380.60	4,470.40	33,310.00	(1.55)	(0.21)	-70.60
100000	5,040.00	37,084.00	4,956.00	37,000.00	(1.67)	(0.23)	-84.00
110000	5,539.00	40,787.40	5,441.60	40,690.00	(1.76)	(0.24)	-97.40
120000	6,038.00	44,490.80	5,927.20	44,380.00	(1.84)	(0.25)	-110.80
130000	6,537.00	48,194.20	6,412.80	48,070.00	(1.90)	(0.26)	-124.20
140000	7,036.00	51,897.60	6,898.40	51,760.00	(1.96)	(0.27)	-137.60
150000	7,535.00	55,601.00	7,384.00	55,450.00	(2.00)	(0.27)	-151.00
160000	8,034.00	59,304.40	7,869.60	59,140.00	(2.05)	(0.28)	-164.40
170000	8,533.00	63,007.80	8,355.20	62,830.00	(2.08)	(0.28)	-177.80
180000	9,032.00	66,711.20	8,840.80	66,520.00	(2.12)	(0.29)	-191.20
190000	9,531.00	70,414.60	9,326.40	70,210.00	(2.15)	(0.29)	-204.60

COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: FIRM TRANSPORTATION

PRESENT RATES

Customer Charge
 50.00

PROPOSED RATES

Customer Charge
 500.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	4.99

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	4.777

Gas Cost Cents/Therm 32.044 Therm usage increment 50,000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	50.00	50.00	500.00	500.00	900.00	900.00	450.00
50000	2,545.00	18,567.00	2,888.50	18,910.50	13.50	1.85	343.50
100000	5,040.00	37,084.00	5,277.00	37,321.00	4.70	0.64	237.00
150000	7,535.00	55,601.00	7,665.50	55,731.50	1.73	0.23	130.50
200000	10,030.00	74,118.00	10,054.00	74,142.00	0.24	0.03	24.00
250000	12,525.00	92,635.00	12,442.50	92,552.50	(0.66)	(0.09)	-82.50
300000	15,020.00	111,152.00	14,831.00	110,963.00	(1.26)	(0.17)	-189.00
350000	17,515.00	129,669.00	17,219.50	129,373.50	(1.69)	(0.23)	-295.50
400000	20,010.00	148,186.00	19,608.00	147,784.00	(2.01)	(0.27)	-402.00
450000	22,505.00	166,703.00	21,996.50	166,194.50	(2.26)	(0.31)	-508.50
500000	25,000.00	185,220.00	24,385.00	184,505.00	(2.46)	(0.33)	-615.00
550000	27,495.00	203,737.00	26,773.50	203,015.50	(2.62)	(0.35)	-721.50
600000	29,990.00	222,254.00	29,162.00	221,426.00	(2.76)	(0.37)	-828.00
650000	32,485.00	240,771.00	31,550.50	239,836.50	(2.88)	(0.39)	-934.50
700000	34,980.00	259,288.00	33,939.00	258,247.00	(2.98)	(0.40)	-1041.00
750000	37,475.00	277,805.00	36,327.50	276,657.50	(3.06)	(0.41)	-1147.50
800000	39,970.00	296,322.00	38,716.00	295,068.00	(3.14)	(0.42)	-1254.00
850000	42,465.00	314,839.00	41,104.50	313,478.50	(3.20)	(0.43)	-1360.50
900000	44,960.00	333,356.00	43,493.00	331,889.00	(3.26)	(0.44)	-1467.00
950000	47,455.00	351,873.00	45,881.50	350,299.50	(3.32)	(0.45)	-1573.50

COMPANY: WEST FLORIDA
 DOCKET NO. 910778-GU

COST OF SERVICE SUMMARY

ATTACHMENT 6

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE

PRESENT RATES

Customer Charge
 612.00

PROPOSED RATES

Customer Charge
 500.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	2.551

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	2.336

Gas Cost Cents/Therm 32.044
 Therm usage increment 50,000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent- increase w/o fuel	percent increase with fuel	dollar increase
0	612.00	612.00	500.00	500.00	(18.30)	(18.30)	-112.00
50000	1,887.50	17,909.50	1,668.00	17,690.00	(11.63)	(1.23)	-219.50
100000	3,163.00	35,207.00	2,836.00	34,880.00	(10.34)	(0.93)	-327.00
150000	4,438.50	52,504.50	4,004.00	52,070.00	(9.79)	(0.83)	-434.50
200000	5,714.00	69,802.00	5,172.00	69,260.00	(9.49)	(0.78)	-542.00
250000	6,989.50	87,099.50	6,340.00	86,450.00	(9.29)	(0.75)	-649.50
300000	8,265.00	104,397.00	7,508.00	103,640.00	(9.16)	(0.73)	-757.00
350000	9,540.50	121,694.50	8,676.00	120,830.00	(9.06)	(0.71)	-864.50
400000	10,816.00	138,992.00	9,844.00	138,020.00	(8.99)	(0.70)	-972.00
450000	12,091.50	156,289.50	11,012.00	155,210.00	(8.93)	(0.69)	-1079.50
500000	13,367.00	173,587.00	12,180.00	172,400.00	(8.88)	(0.68)	-1187.00
550000	14,642.50	190,884.50	13,348.00	189,590.00	(8.84)	(0.68)	-1294.50
600000	15,918.00	208,182.00	14,516.00	206,780.00	(8.81)	(0.67)	-1402.00
650000	17,193.50	225,479.50	15,684.00	223,970.00	(8.78)	(0.67)	-1509.50
700000	18,469.00	242,777.00	16,852.00	241,160.00	(8.76)	(0.67)	-1617.00
750000	19,744.50	260,074.50	18,020.00	258,350.00	(8.73)	(0.66)	-1724.50
800000	21,020.00	277,372.00	19,188.00	275,540.00	(8.72)	(0.66)	-1832.00
850000	22,295.50	294,669.50	20,356.00	292,730.00	(8.70)	(0.66)	-1939.50
900000	23,571.00	311,967.00	21,524.00	309,920.00	(8.68)	(0.66)	-2047.00
950000	24,846.50	329,264.50	22,692.00	327,110.00	(8.67)	(0.65)	-2154.50

COST OF SERVICE SUMMARY
PROPOSED RATE DESIGN

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	FIRM TRANSPORT	INTERRUPT	SPECIAL CONTRACT
PRESENT RATES (projected test year)								
GAS SALES (due to growth)	6,625,286	3,864,765	1,601,479	478,363	107,124	213,916	75,088	284,552
OTHER OPERATING REVENUE	177,782	106,669	71,113	0	0	0	0	0
TOTAL	6,803,068	3,971,434	1,672,592	478,363	107,124	213,916	75,088	284,552
RATE OF RETURN	7.80%	4.45%	6.47%	9.20%	32.93%	15.30%	36.60%	79.76%
INDEX	1	0	0	0	0	0	0	0
PROPOSED RATES								
GAS SALES	7,508,822	4,494,140	1,818,393	515,610	107,124	213,916	75,088	284,552
OTHER OPERATING REVENUE	201,190	120,714	80,476	0	0	0	0	0
TOTAL	7,710,012	4,614,854	1,898,869	515,610	107,124	213,916	75,088	284,552
TOTAL REVENUE INCREASE	906,944	643,420	226,278	37,246	0	0	0	0
PERCENT INCREASE	13.33%	16.20%	13.53%	7.79%	0.00%	0.00%	0.00%	0.00%
RATE OF RETURN	10.60%	8.98%	9.49%	9.66%	26.50%	12.55%	29.41%	63.57%
INDEX	1	1	1	1	2	1	3	6

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**COST OF SERVICE SUMMARY
CALCULATION OF PROPOSED RATES**

ATTACHMENT 6

COMPANY NAME: WEST FLORIDA
DOCKET NO. 910778-GU

	TOTAL	RESIDENTIAL	COMMERCIAL		INDUSTRIAL	FIRM		SPECIAL
			COMMERCIAL	LARGE VOL.		TRANSPORT	INTERRUPT	CONTRACT
PROPOSED TOTAL TARGET REVEN	7,710,012	4,614,854	1,898,869	515,610	107,124	213,916	75,088	284,552
LESS OTHER OPERATING REVENUE	201,190	120,714	80,476	0	0	0	0	0
LESS CUSTOMER CHARGE REVENUES								
PROPOSED CUSTOMER CHARGES		\$7.00	\$10.00	\$100.00	\$100.00	\$500.00	\$500.00	\$23,712.00
TIMES:NUMBER OF BILLS	315,204	290,304	24,732	96	24	12	24	12
EQUALS:CUSTOMER CHARGE RE	2,593,992	2,032,128	247,320	9,600	2,400	6,000	12,000	284,544
LESS OTHER NON-THERM-RATE REVENUES								
EQUALS:PER-THERM TARGET REV	4,914,830	2,462,012	1,571,073	506,010	104,724	207,916	63,088	8
DIVIDED BY:NUMBER OF THERMS	41,012,879	7,967,383	9,575,588	3,615,943	2,156,416	4,352,181	2,700,381	10,644,987
EQUALS:PER-THERM RATES(UNRNDED)		0.309011	0.164071	0.139938	0.048564	0.047773	0.023362	0.000001
PER-THERM RATES(RNDED)		0.30901	0.16407	0.13994	0.04856	0.04777	0.02336	0.00000
PER-THERM-RATE REVENUES(RND)	4,914,783	2,462,001	1,571,067	506,015	104,716	207,904	63,081	0
<u>SUMMARY:PROPOSED TARIFF RATES</u>								
CUSTOMER CHARGES		\$7.00	\$10.00	\$100.00	\$100.00	\$500.00	\$500.00	\$23,712.00
ENERGY CHARGES								
NON-GAS (CENTS PER THERM)		30.901	16.407	13.994	4.856	4.777	2.336	0.000
PURCHASED GAS ADJUSTMENT		32.044	32.044	32.044	32.044	32.044	32.044	32.044
TOTAL (INCLUDING PGA)		62.945	48.451	46.038	36.900	36.821	34.380	32.044
<u>SUMMARY:PRESENT TARIFF RATES</u>								
CUSTOMER CHARGES		\$6.00	\$15.00	\$15.00	\$50.00	\$50.00	\$612.00	\$23,800.00
ENERGY CHARGES								
NON-GAS (CENTS PER THERM)		26.48	12.93	12.93	4.99	4.99	2.55	1.00
PURCHASED GAS ADJUSTMENT		32.044	32.044	32.044	32.044	32.044	32.044	32.044
TOTAL (INCLUDING PGA)		58.528	44.972	44.972	37.034	37.034	34.595	33.044
<u>SUMMARY:OTHER OPERATING REVENUE</u>								
		PRESENT		PROPOSED				
		CHARGE	REVENUE	CHARGE	REVENUE			
INITIAL CONNECTION RESIDENTIAL		\$20.00	\$124,385	\$20.00	\$138,960			
INITIAL CONNECTION COMMERCIAL		\$20.00	\$5,180	\$25.00	\$7,225			
RECONNECTION RESIDENTIAL		\$20.00	\$23,790	\$25.00	\$33,250			
RECONNECTION COMMERCIAL		\$20.00	\$400	\$30.00	\$770			
CHANGE OF ACCOUNT		\$20.00	\$15,600	\$15.00	\$11,700			

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Total	1213255	707651	358155	122693	13160	3672	4253	3672
AMORT. OF GAS PLANT:								
Capacity	0	0	0	0	0	0	0	0
AMORT. OF PROPERTY LOSS:								
Capacity	0	0	0	0	0	0	0	0
AMORT OF LIMITED TERM INVEST.								
Capacity	0	0	0	0	0	0	0	0
AMORT. OF ACQUISITION ADJ.:								
Customer	12624	9930	2538	79	20	14	29	14
Capacity	18437	8029	6704	3136	324	81	81	81
Total	31061	17959	9242	3215	344	95	110	95
AMORT. OF CONVERSION COSTS:								
Commodity	0	0	0	0	0	0	0	0

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