ST. JOE NATURAL GAS COMPANY, INC.

P 0 BOX 549 PHONE (850) 229 8216 PORT ST. JOE, FLORIDA 32457



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October 8, 1998

Blanco S Bayo, Director Division of Record and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Fl. 32399-0850

Re: Docket No. 980003-GU Purchased Gas Cost Recovery for period ending December 31, 1999

Dear Ms. Bayo,

Enclosed for filing in the above referenced docket are an original and ten (10) copies of St. Joe Natural Gas Company's:

- Petition for Approval of Purchased Cost Recovery Factors;
- 2. Scheaules E-1 through E-5
- 3. Direct Testimony of Stuart L Shoaf

Please acknowledge receipt of these documents by stamping the extra copy of this letter which is also enclosed.

Thank you for your assistance.

Very truly yours,

ACK AFA May Murt APP Stuart L. Shoaf CAF President CMU CTR Enclosures CEAG LEG LIN All known parties of record opies: OPC RCH _ SEC RECEIVED DATE WAS ____ 163 OCT-98 OTH ____ FUSE REPORTS REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Recovery)

Docket No. 980003-GU Submitted for filing October 8, 1998

PETITION OF ST. JOE NATURAL GAS COMPANY, INC. FOR APPROVAL OF MAXIMUM TWELVE MONTH LEVELIZED PURCHASED GAS COST FACTOR FOR APPLICATION TO BILLS RENDERED DURING THE TWELVE MONTH PERIOD ENDING DECEMBER 31, 1999

St. Joe Natural Gas Company, Inc. (SJNG) by and through its undersigned officer, hereby petitions the Commission for approval of a maximum levelized purchased gas cost recovery factor to be applied to customer bills rendered during the twelve month period ending December 31, 1999 and says:

 The name of the petitioner and the mailing address of its principal office is:

> St. Joe Natural Gas Company, Inc. Post Office Box 549 Port St. Joe, Florida 32457-0549

2. The name and mailing address to the person authorized to receive notices and communications of this Petition is:

Stuart L. Shoaf, President St. Joe Natural Gas Company, Inc. Post Office Box 549 Port St. Joe, Florida 32457-0549

3. June 10, 1998 by, Docket No. 980269-PU this Commission adopted a revised purchased gas cost recovery method, including but not limited to, reporting forms (Schedules E-1 through E-5) to be used by natural gas utilities beginning with the projected period from January 1, 1999 through December 31, 1998. Schedules E-1 through E-5 compute a levelized purchased gas cost factor to serve as a cap or maximum recovery factor, where utilities will have the DOCUMENT NUMPER-DATE

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option of flexing downward to market conditions for calculating current month weighted average cost of gas (WACOG) charges.

4. The levelized purchased gas adjustment factor represents the sum of the final net true-up gas costs from April 1, 1997 through March 31, 1998, actual true-up and interest from April 1st through August 31, 1998, estimated true-up and interest from September 1st through December 31, 1998 and estimated purchased gas costs, without interest, from January 1, 1999 through December 31, 1999.

5. Pursuant to the methodology adopted by the Commission in Docket No. 980269-PU, SJNG has calculated a weighted average cost of gas factor (WACOG) through December 31, 1999. Such calculations from Schedules E-1 through E-5 are commingled and are filed herewith.

6. Schedule E-1 reports the estimated average purchased gas costs for the twelve month period ending December 31, 1999 to be \$794,625.00. Based upon estimated total sales of 1,074,091 therms. SJNG seeks a revised maximum WACOG of 60.80 cents per therm.

WHEREFORE, St. Joe Natural Gas Company, Inc. prays the Commission will enter an order approving its WACOG factor of 60.800 cents per therm to be applied to customer bills rendered during the twelve month period ending December 31, 1999.

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Dated this 8th day of October, 1998.

Respectfully submitted,

Mitar Short

Stuart L. Shoaf, President St. Joe Natural Gas Company, Inc. Post Office Box 549 Port St. Joe, Florida 32457-0549 (850) 229-8216