

VOTE SHEET

February 12, 2008

Docket No. 070592-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.

**Issue 1:** Should the \$627,026 permanent base rate increase and its associated tariff revisions requested by St. Joe Natural Gas Company, Inc. be suspended pending a final decision in this docket?

**Recommendation:** Yes. The \$627,026 permanent base rate increase and its associated tariff revisions requested by St. Joe Natural Gas Company, Inc. should be suspended pending a final decision in this docket

**APPROVED**

**Issue 2:** Is SJNG's proposed 2006 interim test year rate base of \$3,330,861 appropriate?

**Recommendation:** No. The appropriate 2006 interim test year rate base is \$3,077,180.

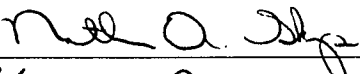
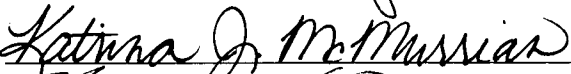
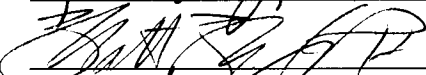
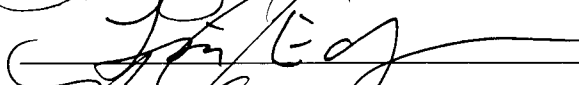
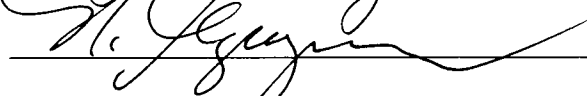
**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

  
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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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**Issue 3:** Are SJNG's proposed return on equity of 11.50 percent and overall cost of capital of 6.75 percent appropriate for the purpose of determining interim rates?

**Recommendation:** No. The appropriate return on equity and overall cost of capital are 10.50 percent and 5.60 percent, respectively.

**APPROVED**

**Issue 4:** Is SJNG's proposed 2006 interim test year net operating income of \$54,079 appropriate?

**Recommendation:** No. The appropriate 2006 interim test year net operating income is \$74,410.

**APPROVED**

**Issue 5:** Is SJNG's proposed net operating income multiplier of 1.6114 appropriate?

**Recommendation:** Yes. The appropriate net operating income multiplier is 1.6114.

**APPROVED**

**Issue 6:** Should SJNG's requested interim rate increase of \$274,981 and percentage increase factor of 26.35 percent be granted?

**Recommendation:** No. SJNG should be granted an interim rate increase of \$157,775, a percentage increase factor of 15.12 percent.

**APPROVED**

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**Issue 7:** How should the interim revenue increase for SJNG be distributed among the rate classes?

**Recommendation:** Any interim revenue increase approved should be applied evenly to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, and should be recovered on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the vote approving any interim increase. The Company should give notice to customers of the interim increase commencing with the first bill for service that reflects the increase. A copy of the notice should be submitted to staff for approval prior to its use.

**APPROVED**

**Issue 8:** What is the appropriate security to guarantee the amount collected subject to refund?

**Recommendation:** A corporate undertaking in the amount of \$52,592 guaranteed by SJNG is appropriate. Interim rates are subject to refund with interest, pending the final order in the permanent rate relief request.

**APPROVED**

**Issue 9:** Should this docket be closed?

**Recommendation:** No, this docket should remain open to process the Company's revenue increase request.

**APPROVED**