



Writer's E-Mail Address: bkeating@gunster.com

January 24, 2020

VIA E-PORTAL

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: [NEW FILING] Petition For Approval of Temporary Storm Cost Recovery Surcharge to Recover Incremental Storm Restoration Costs associated with Hurricane Michael by St. Joe Natural Gas Company, Inc.

Dear Mr. Teitzman:

Attached, for electronic filing in the above referenced matter, please find the Petition of St. Joe Natural Gas Company for Approval To Implement a Temporary Storm Cost Recovery Surcharge in order to recover incremental costs associated with Hurricane Michael.

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

ATTACHMENTS

cc:// Office of Public Counsel (Kelly)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of a Temporary Storm Cost Recovery Surcharge to Recover Incremental Storm Restoration Costs associated with Hurricane Michael by St. Joe Natural Gas Company, Inc.	DOCKET NO. DATED: January 24, 2020
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PETITION OF ST. JOE NATURAL GAS COMPANY FOR APPROVAL TO IMPLEMENT A TEMPORARY STORM COST RECOVERY SURCHARGE

St. Joe Natural Gas Company, Inc., (herein "SJNG" or "Company"), by and through its undersigned counsel, hereby files this Petition, pursuant to Sections 366.041 and 366.06, Florida Statutes ("F.S."), and in accordance with Rule 28-106.201, F.A.C., requests that the Florida Public Service Commission ("Commission") allow the Company to recover \$381,512 in incremental storm restoration costs through a temporary surcharge, which will enable the Company to recoup a portion of the extraordinary costs associated with Hurricane Michael. Given the significant and continuing financial impact on the Company, SJNG respectfully requests that the Commission consider this request on an expedited basis. In further support of this request, the Company hereby states:

- 1) SJNG is a natural gas distribution company subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

St. Joe Natural Gas Company, Inc.
P.O. Box 549
Port St. Joe, Florida 32457-0549

- 2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.
Gregory Munson, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601

Stuart Shoaf
President
St. Joe Natural Gas
P.O. Box 549

Tallahassee, Florida 32301-1839
(850) 521-1706
bkeating@gunster.com

Port St. Joe, Florida 32457-0549
850-229-8216
sshoaf@stjoegas.com

- 3) The physical location of the Company's offices is 301 Long Avenue, Port St. Joe, Florida.
- 4) As of September 2019, SJNG serves 2,519 residential and commercial customers in Port St. Joe, Mexico Beach, and Wewahitchka, as well as unincorporated areas of Gulf County.
- 5) The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact, including, but not limited to whether SJNG has appropriately calculated the amount to be recovered. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

I. Hurricane Michael

- 6) Prior to Hurricane Michael, SJNG served a total of approximately 3,049 residential and commercial customers in its largely coastal service area. However, on October 10, 2018, the eye of Hurricane Michael targeted the heart of SJNG's service area, Mexico Beach and Port St. Joe, resulting in significant damage to SJNG's natural gas distribution system, along with the catastrophic damage to the homes and businesses of the Company's customers. In the wake of Hurricane Michael, SJNG shut off gas across its distribution system given the amount of damage incurred.
- 7) The National Hurricane Center ("NHC") began monitoring an area of low pressure in the southwestern Caribbean Sea on October 2, 2018. This disturbance strengthened and was upgraded to Tropical Storm Michael by the NHC on October 7, 2018, at which time Governor Rick Scott declared a State of Emergency for 26 Florida counties. All of the counties served by SJNG were

included in the State of Emergency. The storm strengthened to Hurricane status on October 8, 2018.

8) Hurricane Michael made landfall on October 10, 2018 as a Category 5 Hurricane - unprecedented for the Florida Panhandle. The storm made landfall east of Panama City near Mexico Beach with wind speeds in excess of 160 mph. Michael's intense eyewall caused major structural damage in the Florida Panhandle, including to SJNG's facilities serving Mexico Beach and Port St. Joe. Hurricane Michael was the strongest storm to ever make landfall in the Florida Panhandle and the fourth strongest to make landfall in the continental U.S. based on wind speed. As a result, portions of SJNG's distribution system sustained significant damage.

9) In spite of the damage sustained, SJNG required the assistance of limited outside resources. In addition to the work of its own employees, SJNG utilized three (3) outside contractors: RAW assisted with cutting and capping damaged mains and services; BTC resources re-installed mains and services; and Florida City Gas assisted with the relighting of restored customers.

10) For the initial two (2) weeks following the storm, the Company had no cell phone, electric, or internet service. As communications services became available, the Company maintained regular contact with state and local authorities, including the Governor's office, the county's Emergency Operations Center ("EOC") and the Sheriff's office. The Company's customer communications were accomplished via phone and internet, primarily Facebook, as service became available. Communications were otherwise handled through direct, in-person communications with SJNG's customers.

11) Through the extraordinary efforts of its employees and regular contract crews, the Company was able to rebuild most of the damaged portions of its system and restored service to

80% of its customers. At this point, most of the accounts to which service has not been restored either no longer have a premise to which service can be restored, or the premise remains vacant and the customer of record has not requested that service be restored. SJNG continues to work with customers to restore service as their homes and businesses are repaired.

12) This petition is based on actual \$321,012 direct costs through September 2019. The Company also seeks recovery of its remaining projected costs of \$60,500 to complete the restoration of its gas system to pre-storm condition, which includes costs associated with the installation of two-thousand feet (2,000') of 2" PE mains, the replacement of one (1) HP regulator in M&R Station No. 1, the retirement of fifty (50) service lines, the replacement of six (6) canal crossing signs, the repair of the Fitzpatrick M&R Station No. 5 perimeter fence, unpaid actual and estimated legal fees, and unpaid expenses for a rental accommodations for work crews that were brought in to assist in restoration.

II. Storm Impact and Recovery Amount

13) By this Petition, SJNG seeks approval to establish a surcharge to recover \$381,512 in incremental storm costs. In making this request, the Company has utilized the Incremental Cost and Capitalization Approach methodology (ICCA) set forth in the Commission's Commission Rule 25-6.0143, F.A.C. to calculate the amount requested for recovery.

14) The damage caused by Hurricane Michael to the Company's system was severe and extensive in several areas. Given the Company's relatively small size and the fact that it does not have a funded storm reserve, the extraordinary costs associated with Hurricane Michael threaten the financial viability of the Company. The Company is acutely aware of the challenges that many of its customers face at this time as work continues to restore Mexico Beach, Port St. Joe, and the

central Panhandle area, but finds it necessary to pursue recovery of its incremental storm costs so that it can continue to provide safe and reliable service for its customers.

15) SJNG's rate base (\$3,024,656), cost of capital (5.44%) and authorized return on equity (mid-point 11%) were last established by the Commission in Order No. PSC-2008-0436-PAA-GU, issued July 8, 2008. By Order No. PSC-2016-0297-PAA-GU, issued July 27, 2016, the Commission authorized the Company to restructure its rates to reallocate an annual revenue deficiency of \$285,011 associated with the loss of its one industrial customer, Arizona Chemical Company.

16) As of the Company's June 2019 surveillance report, the Company's earned return on equity on a Commission-adjusted basis was negative 1.54%, and its Commission-adjusted net operating income was negative \$330,264. For the 12-months ended October 2019, the Company's achieved net operating income was negative \$422,728 and its average achieved rate of return was negative 15.01%, as reflected on Attachment A to this Petition. To be clear, however, the Company is not seeking a base rate change through this proceeding. Rather, the Company seeks the establishment and recovery, over a limited period of time, of a storm-related regulatory asset through a temporary surcharge. This approach will allow the Company to recover a portion of the losses associated with Hurricane Michael with a limited bill impact to the Company's customers.¹

A. Costs

17) As noted, SJNG does not currently have a storm reserve. Thus, the Company seeks recovery of the full actual/estimated \$381,512 associated with its recovery from Hurricane Michael. In calculating this amount, the Company has, as noted, utilized the ICCA methodology.

¹ The Company notes that, in addition to the costs identified here, it has experienced lost annual revenues of approximately \$574,000, a full 26% annual decrease, as result of customers that have not reconnected service following the storm. This amount is not included in the Company's request as set forth in this Petition.

As such, the costs for which the Company seeks recovery are storm-related damages that exclude costs normally charged to non-cost recovery clause operating expenses in the absence of a storm and are otherwise recovered through base rates. The costs also include capital expenditures for the removal, retirement and replacement of damaged facilities, excluding the normal cost for the removal, retirement and replacement of those facilities in the absence of the storm. The Company notes that this does not reflect the full impact of Hurricane Michael on the Company. In a number of instances, certain accounts have not yet reconnected and may not do in the foreseeable future, which has resulted in significantly reduced revenues in the aftermath of the storm.

18) The basis for the costs that compose the \$381,512 amount are set forth in greater detail in Attachment B to this Petition. As storm restoration work was undertaken, the Company's incremental employee overtime and payroll related costs for storm restoration was assigned according to the Company's normal accounting process, given that the Company does not have an approved Storm Reserve account. Thus, the \$321,012 in actual costs has been determined by comparing expenses for the appropriate accounts for the 12-month period ending September 2019 with the equivalent 12-month periods ending September 2018, 2017 and 2016. The additional \$60,500 in projected costs includes expenses expected to be incurred beyond the period ended September 2019 that constitute additional, incremental O&M expense associated with storm recovery, housing expense associated with housing work crews that has not yet been billed and paid, and actual and projected legal costs associated with pursuit of cost recovery by the Company. While the \$60,500 is a projected amount, the Company anticipates that the final, actual amount will not differ significantly.

19) SJNG is the second smallest, privately-owned distribution system in the state; as such, restoration of service for its customers over 100% of its system has been an overwhelming

undertaking and full restoration of its entire system remains ongoing. Consequently, the Company's total incurred Operations expenses for the one-year period following the storm are a full 26% higher than the previous 3-year average, while Maintenance expense is 36% higher, which is a significant increase for a company of SJNG's size to absorb. Attached hereto as Exhibit B is a breakdown of the storm-related expenses by account. Expense accounts unrelated to the storm are not included in the calculation and are included as shaded items on the Exhibit only for demonstrative purposes.

B. Surcharge Mechanism

20) The Company asks that the Commission allow it to record a regulatory asset in the amount of \$381,512 in account 228.1 consisting of the incremental Hurricane Michael-related storm costs and related regulatory assessment fees to be recovered over 48 months in equal amounts of approximately \$7,948 per month, based on a May 1, 2020, effective date. SJNG proposes a per term surcharge that equates to about \$5.26/month for residential customers in SJNG's RS-1 rate class. Once the approved amount has been recovered, which SJNG anticipates would occur by June 2024, the Company further proposes that any over-recovery variance between the surcharge amounts collected and the approved amount of incremental storm costs incurred, be applied as an over-recovery to the Company's Conservation Cost Recovery Clause True Up projections filed in 2024 for the 2025 factors in order to flow any such over-recovery of storm costs back to customers through reduced conservation factors.

III. Request for Relief

21) The Company requests that the Commission approve for recovery SJNG's incremental storm costs in the amount of \$381,512 to be recovered from its customers over a four-year period through a monthly per term surcharge.

22) The Company respectfully requests the Commission accept the Company's proposed methodology for recovery of its storm costs through a per therm surcharge mechanism and approve the following Storm Cost Recovery Surcharge factors calculated consistent with the methodology used to calculate the Company's Conservation Cost Recovery factors.

<u>RATE CLASS:</u>	<u>RATE/ \$ per Therm</u>
RS-1	\$0.21038
RS-2	\$0.12684
RS-3	\$0.09689
GS-1	\$0.08345
GS-2	\$0.04014
GS-4/RS-4	\$0.02125

The Company requests that the surcharges remain in effect for a period of 48 months.

RESPECTFULLY SUBMITTED this 24th day of January, 2020.



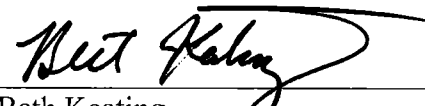
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for St. Joe Natural Gas Company, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 24th day of January, 2020.

Keith Hetrick, General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 khetrick@psc.state.fl.us	J.R. Kelly Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <u>Kelly.JR@leg.state.fl.us</u>
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By: 
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

ATTACHMENT A

SJNG June 2019 Surveillance and October 2019 Earnings Analysis

ST. JOE NATURAL GAS COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
 June 30, 2019

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
<u>NET OPERATING INCOME</u>	\$ -330,264	\$	\$ -330,264	\$	\$
<u>AVERAGE RATE BASE</u>	\$ 5,150,166	\$ -2,251,531	\$ 2,898,635	\$	\$
<u>AVERAGE RATE OF RETURN</u>	-6.41%		-11.39%		%
II. YEAR END RATE BASE (JURISDICTIONAL)					
<u></u>	\$ 5,025,528	\$ -2,123,768	\$ 2,901,760		

**III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	<u>4.96 %</u>
MIDPOINT	<u>5.40 %</u>
HIGH	<u>5.84 %</u>

**IV. EARNED RETURN ON EQUITY
(FPSC ADJUSTED BASIS)**

A. INCLUDING FLEX RATE REVENUES	<u>-1.54%</u>
B. EXCLUDING FLEX RATE REVENUES	<u>-1.54%</u>

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Andy Shoaf, Vice-President
 (Name and Title of Chief
 Financial Officer)


 (Signature)

8-26-19
 (Date)

PSC/AFA13

**ST. JOE NATURAL GAS COMPANY
YEAR END RATE BASE**

SCHEDULE 3

JUNE 30, 2019

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	9,821,530	6,011,940	3,809,590		267,306	4,076,896	948,633	5,025,529
<u>FPSC ADJUSTMENTS:</u>								
PRO-RATA							-111,640	-111,640
NON-UTILITY	-1,962,014	-665,797	-1,296,217		-81,930	-1,378,147	-633,982	-2,012,129
TOTAL FPSC ADJUSTMENTS	<u>-1,962,014</u>	<u>-665,797</u>	<u>-1,296,217</u>		<u>-81,930</u>	<u>-1,378,147</u>	<u>-745,622</u>	<u>-2,123,769</u>
FPSC ADJUSTED	<u>7,859,516</u>	<u>5,346,143</u>	<u>2,513,373</u>		<u>185,376</u>	<u>2,698,749</u>	<u>203,011</u>	<u>2,901,760</u>

ST. JOE NATURAL GAS COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE 30, 2019

SCHEDULE 4

	AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT	WEIGHTED	MIDPOINT	WEIGHTED	HIGH POINT	WEIGHTED
			NON-UTILITY	PRO RATA			COST RATE (%)	COST (%)	COST RATE (%)	COST (%)	COST RATE (%)	COST (%)
LONG TERM DEBT		596,924	-346,825	-7,167	242,932	8.38%	6.50	0.54	6.50	0.54	6.50	0.54
SHORT TERM DEBT		0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00
OTHER DEFERRED CREDITS - GC		27,402			27,402	0.95%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		64,638	-37,556	-776	26,306	0.91%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY		3,135,111	-1,821,562	-37,644	1,275,904	44.02%	10.00	4.40	11.00	4.84	12.00	5.28
DEFERRED INCOME TAXES		703,818			703,818	24.28%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		611,077			611,077	21.08%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		11,196			11,196	0.39%	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER ADVANCES FOR CONSTRUCTION		0			0	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		5,150,166	-2,205,943	-45,588	2,898,635	100.00%		4.96		5.40		5.84

	YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT	WEIGHTED	MIDPOINT	WEIGHTED	HIGH POINT	WEIGHTED
			NON-UTILITY	PRO RATA			COST RATE (%)	COST (%)	COST RATE (%)	COST (%)	COST RATE (%)	COST (%)
LONG TERM DEBT		720,000	-380,917	-21,135	317,948	10.96%	6.50	0.71	6.50	0.71	6.50	0.71
SHORT TERM DEBT		0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00
OTHER DEFERRED CREDITS - GC		27,402			27,402	0.94%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		56,459	-29,870	-1,657	24,932	0.86%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY		3,026,819	-1,601,342	-88,848	1,336,628	46.06%	10.00	4.61	11.00	5.07	12.00	5.53
DEFERRED INCOME TAXES		598,592			598,592	20.63%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		585,616			585,616	20.18%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		10,641			10,641	0.37%	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER ADVANCES FOR CONSTRUCTION		0			0	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		5,025,529	-2,012,129	-111,640	2,901,760	100.00%		5.34		5.80		6.26

ST. JOE NATURAL GAS COMPANY, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
June 30, 2019

SCHEDULE 5

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
INCLUDING FLEX RATE REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	-0.11	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00 %	
LONG TERM DEBT	-0.54 %	
CUSTOMER DEPOSITS	-0.02 %	
OTHER DEFERRED CREDITS	0.00 %	
SUBTOTAL	-0.56 %	
 TOTAL	 -0.68 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 44.02 %	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 -1.54%	

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
EXCLUDING FLEX RATE REVENUES SAME AS ABOVE

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$	(Schedule 2, p
 RATE BASE EXCLUDING FLEX RATE REVENUES	 \$	 (Schedule 2, p
 FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN		 %
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	()	%
SHORT TERM DEBT	()	%
PREFERRED STOCK	()	%
CUSTOMER DEPOSITS	()	%
TAX CREDITS-WEIGHTED COST(MIDPOINT)	()	%
SUBTOTAL	()	%
 TOTAL		 %
 DIVIDED BY RECONCILED COMMON EQUITY RATIO		 %
 JURISDICTIONAL RETURN ON COMMON EQUITY		 %

ST. JOE NATURAL GAS CO.
 RATE BASE AND RATE OF RETURN
 TWELVE MONTHS ENDING: OCTOBER 2019

	<u>YEAR END</u>	<u>AVERAGE</u>
Utility Plant in Service	\$7,854,129	\$7,756,674
Construction Work in Progress	\$188,477	\$226,714
Accumulated Depreciation	<u>-\$5,406,717</u>	<u>-\$5,347,166</u>
Net Utility Plant	\$2,635,888	\$2,636,221
Total Current Assets	\$228,200	\$332,577
Total Current Liabilities	<u>\$123,252</u>	<u>\$152,142</u>
Working Capital	\$104,948	\$180,435
Rate Base	<u><u>\$2,740,836</u></u>	<u><u>\$2,816,656</u></u>
Revenue (Gas + Utility Interest Income)	\$1,578,519	\$1,578,519
Cost and Expenses:		
Gas Purchases	\$285,165	
Operating Expenses	\$1,360,376	
Depreciation	\$224,912	
Taxes - other	\$130,795	
Income Taxes	<u>\$0</u>	
Total Expenses	\$2,001,248	
Net Operating Income	-\$422,728	-\$422,728
Achieved Rate of Return	-15.42%	-15.01%
Authorized Rate of Return - High	6.06%	5.97%

ST JOE NATURAL GAS COMPANY
 TO COMPUTE 13 MONTH AVERAGE RATE BASE
 FOR REGULATED ONLY FOR MONTH OF: OCTOBER 2019

		13 MONTH AVERAGE	Non-Utility Adjustment	Pro Rata Adjustment	Regulated Balance 13 Month Average
101	Utility Plant in Service	7,756,674			7,756,674
107	Construction Work in Progress	226,714			226,714
108	Accumulated Depreciation	-5,347,166			-5,347,166
	NET UTILITY PLANT:	<u>2,636,221</u>			<u>2,636,221</u>
121-A	Appliance Plant in Service	464,553	-464,553		0
107-A	Appliance CWIP	79	-79		0
122-A	Appliance - Accumulated Depreciation	-191,866	191,866		0
	NET APPLIANCE PLANT:	<u>272,765</u>	<u>-272,765</u>		<u>0</u>
111-LP	LP Plant in Service	1,531,869	-1,531,869		0
107-LP	LP CWIP	75,428	-75,428		0
122-LP	LP - Accumulated Depreciation	-453,981	453,981		0
	NET LP PLANT:	<u>1,153,317</u>	<u>-1,153,317</u>		<u>0</u>
WORKING CAPITAL					
Current Assets:					
131	Cash	232,886	-168,890		63,997
142	Accounts Receivable	244,861	-154,271		90,590
144	Uncollectible Accts.	0			0
154	Plant Material & Operating Supply	86,449			86,449
155	Merchandise (NU)	587,834	-587,834		0
156	Material & Supply	32,174	-32,174		0
158	Propane Inventory Asset - Fuel	93,535	-93,535		0
165	Prepayments	44,813	-610		44,202
182	Deferred Tax Assets	211,896			211,896
186	Energy Conservation - Revenues	84,949		-84,949	0
190	Deferred Inc. Tax - Fed. & State	-56,864			-56,864
191	Unrecovered Gas Cost	-107,693		0	-107,693
	TOTAL CURRENT ASSETS:	<u>1,454,840</u>	<u>-1,037,314</u>	<u>-84,949</u>	<u>332,577</u>
Current Liabilities:					
2000	Accounts Payable - Appliances	252,838	-252,838		0
2001	Accounts Payable - Other	91,943			91,943
236	Accrued Taxes	25,591	3,052		28,643
237	Accrued Interest	0	0		0
241	Payroll, Sales, Utility Taxes	39,361	-22,978		16,383
242	Other Current Liabilities	25,194	-10,021		15,173
	TOTAL CURRENT LIABILITIES:	<u>434,927</u>	<u>-282,784</u>	<u>0</u>	<u>152,142</u>
	NET WORKING CAPITAL:	1,019,913	-754,530	-84,949	180,435
	RATE BASE:	<u>5,082,217</u>	<u>-2,180,612</u>	<u>-84,949</u>	<u>2,816,656</u>

ST. JOE NATURAL GAS
TO COMPUTE YEAR END RATE BASE
FOR REGULATED ONLY
FOR MONTH OF: OCTOBER 2019

		Balance Current Mth YTD	Non-Utility Adjustment	Pro Rata Adjustment	Regulated Balance Current Mth YTD
101	Utility Plant in Service	7,854,129			7,854,129
107	Construction Work in Progress	188,477			188,477
108	Accumulated Depreciation	-5,406,717			-5,406,717
	NET UTILITY PLANT:	<u>2,635,888</u>			<u>2,635,888</u>
121-A	N.U. - Appliance Plant in Service	464,789	-464,789		0
107-A	N.U. - Appliance CWIP	0	0		0
122-A	N.U. - Appliance - Accumulated Depreciation	-207,935	207,935		0
	NET NU APPLIANCE PLANT:	<u>256,854</u>	<u>-256,854</u>		<u>0</u>
111-LP	NU - LP Plant in Service	1,603,096	-1,603,096		0
107-LP	NU - LP CWIP	105,006	-105,006		0
122-LP	NU - LP - Accumulated Depreciation	-498,564	498,564		0
	NET NU-LP PLANT:	<u>1,209,538</u>	<u>-1,209,538</u>		<u>0</u>
WORKING CAPITAL					
Current Assets:					
131	Cash	125,425	-90,959		34,467
142	Accounts Receivable	236,857	-189,536		47,321
154	Plant Material & Operating Supply	92,661			92,661
155	Merchandise (NU)	576,413	-576,413		0
156	Material & Supply (NU)	28,964	-28,964		0
158	Propane Inventory Asset - Fuel	103,975	-103,975		0
165	Prepayments	23,786	-1,072		22,714
182	Deferred Tax Assets	197,003			197,003
186	Energy Conservation Revenues	150,965		-150,965	0
190	Deferred Inc Tax Exp. - Fed & State	-78,312			-78,312
191	Unrecovered Gas Cost	-87,654		0	-87,654
	TOTAL CURRENT ASSETS:	<u>1,370,084</u>	<u>-990,919</u>	<u>-150,965</u>	<u>228,200</u>
Current Liabilities:					
2000	Accounts Payable - Appliances & LP	306,053	-306,053		0
2001	Accounts Payable - Other	42,672			42,672
236	Accrued Taxes	49,051	-5,997		43,054
237	Accrued Interest	0	0		0
2100-241	Payroll, Sales, Utility Taxes	35,362	-25,239		10,124
242	Other Current Liabilities	49,221	-21,818		27,403
	TOTAL CURRENT LIABILITIES:	<u>482,359</u>	<u>-359,107</u>	<u>0</u>	<u>123,252</u>
	NET WORKING CAPITAL:	887,724	-631,812	-150,965	104,948
	RATE BASE:	4,990,004	-2,098,204	-150,965	2,740,836

ATTACHMENT B

SJNG Hurricane Michael Expense

ST JOE NATURAL GAS COMPANY, INC.
O&M EXPENSES - ST JOE GAS

	A Storm Var	B	C
		Post Storm	Pre Storm
		Oct '18 - Sep 19	3 Yr Avg (16-17-18)
B-OPERATIONS			
		Oct '18 - Sep 19	3 Yr Avg (16-17-18)
870 - Operation Supervision & Engineer	\$10,918	\$118,197	\$107,278
871 - Distribution Load Dispatching	\$9,655	\$48,027	\$38,372
874 - Mains & Services Expenses	\$4,370	\$34,733	\$30,363
874.1 - Mains & Serv. Exp - Line Locate	\$7,322	\$40,708	\$33,386
875 - M&R Station - General (LT 3 yr avg)		\$7,787	\$8,767
876 - M&R Station - Industrial	\$88	\$4,711	\$4,623
877 - M&R Station - City Gate (LT 3 yr avg)		\$7,133	\$7,830
878 - M&R System	\$22,799	\$70,544	\$47,745
879 - Customer Installation Expenses	\$38,478	\$104,127	\$65,649
880 - Other Expenses	\$10,372	\$47,895	\$37,523
881 - Rents		\$8,971	\$8,988
Total B-OPERATIONS	\$104,002	\$492,832	\$390,525
C-MAINTENANCE			
886 - Maint - Structure (LT 3 yr avg)		\$4,877	\$8,830
887 - Maint - Mains	\$6,759	\$14,342	\$7,583
889 - Maint - M&R - General (District & Farm Tap Stations)	\$4,781	\$7,544	\$2,783
890 - Maint - M&R - Industrial	\$28	\$201	\$173
891 - Maint - M&R City Gate	\$218	\$624	\$407
892 - Maint - Services	\$3,012	\$16,412	\$13,401
894 - Maint - Other Equipment	\$7,577	\$25,192	\$17,615
Total C-MAINTENANCE	\$22,354	\$69,194	\$50,792
D-CUSTOMER ACCOUNTS			
902 - Meter Reading Expenses		\$5,799	\$6,328
903 - Cust. Records & Coll. Expenses	\$16,609	\$137,137	\$120,529
904 - Uncollectible Accounts		\$1,314	\$9,031
906 - Direct 3rd Party Expense	\$135,956	\$135,956	\$0
908 - Customer Assist. & Conservation		\$129,847	\$164,864
Total D-CUSTOMER ACCOUNTS	\$152,565	\$410,053	\$300,752
E-SALES EXPENSE			
		\$2,118	\$3,863
F-ADMIN & GENERAL			
920 - Admin. & General Salaries	\$314	\$91,226	\$90,912
921 - Office Supplies & Expenses	\$6,526	\$27,245	\$20,719
923 - Outside Services Employed (LT 3 yr avg)		\$10,182	\$38,641
924 - Property Insurance		\$42,248	\$42,101
926 - Employee Pensions & Benefits	\$23,711	\$120,631	\$96,919
928 - Regulatory Commission Expenses		\$36,651	\$36,061
930 - Misc. General Expense	\$11,298	\$55,427	\$44,129
932 - Maintenance of General Plant	\$242	\$9,517	\$9,275
Total F-ADMIN & GENERAL	\$42,091	\$393,127	\$378,756

Operations	\$104,002
Maintenance	\$22,354
3rd Party Direct Expenses	\$152,565
Admin & General	\$42,091
TOTAL Above 3 Yr O&M Expenses	\$321,012

REMAINING EXPENSES TO BE PAID

1 2" PE Main Bches	\$20,000
2 M&R #1 replace regulator	\$250
3 Retire SL	\$12,500
4 Replace Canal Crossing Signs	\$1,500
5 Fitzpatrick Fence	\$2,000
6 354 RBI Housing Rental Expense -	\$5,250
7 Projected Legal Costs	\$19,000
TOTAL ESTIMATE TO BE DONE	\$60,500

GROSS TO RECOVER **\$381,512**

Proposed 4 Yr Storm Recovery

	Bills	Therms	Cust Chg	Dlvy Chg	Tot Cus Dlv	ECCR Rev	Years 4	Tot Rev	Rate	Factor	Rate
RS1	14,907	118,229	\$193,791	\$153,241	\$347,032	\$98,994	\$24,749	28.53%	\$0.20933	1.00503	\$0.21038
RS2	11,812	210,208	\$188,992	\$183,003	\$371,995	\$106,115	\$26,529	28.53%	\$0.12620	1.00503	\$0.12684
RS3	6,699	214,963	\$133,980	\$156,620	\$290,600	\$82,896	\$20,724	28.53%	\$0.09641	1.00503	\$0.09689
GS1	2,062	82,773	\$41,240	\$55,131	\$96,371	\$27,491	\$6,873	28.53%	\$0.08303	1.00503	\$0.08345
GS2	448	229,188	\$31,360	\$96,990	\$128,350	\$36,613	\$9,153	28.53%	\$0.03994	1.00503	\$0.04014
GS4/FTS4	24	347,678	\$48,000	\$55,072	\$103,072	\$29,402	\$7,351	28.53%	\$0.02114	1.00503	\$0.02125
	0	0	\$0	\$0	\$0						
	35,952	1,203,039	\$637,363	\$700,057	\$1,337,420	\$381,512	\$95,378				
	2,996					\$381,512					
							\$381,512				