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FLORIDA PUBLIC SERVICE
COMMISSION
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DIVISION OF
ACCOUNTING & FINANCE

August 9, 2013

John Slemkewicz, Supervisor
Electric & Gas Accounting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl 32399-0850

Re: Earnings Surveillance Report Ending June 30, 2013

Please find enclosed the Earnings Surveillance Report for the twelve months ending June 30, 2013.

Sincerely,

Debbie Stitt
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY
EARNINGS SURVEILLANCE REPORT

PSC/AFA 13 (6/94)

**ST. JOE NATURAL GAS COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
JUNE 30, 2013**

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>	\$ 104,818	\$	\$ 104,818	\$	\$
AVERAGE RATE BASE	\$ 4,320,811	\$ -1,623,451	\$ 2,697,360	\$	\$
AVERAGE RATE OF RETURN	<u>2.43%</u>		<u>3.89%</u>		%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ -4,477,929	\$ -1,784,758	\$ -6,262,687		

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	
LOW	<u>5.09 %</u>
MIDPOINT	<u>5.54 %</u>
HIGH	<u>5.99 %</u>

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
A. INCLUDING FLEX RATE REVENUES	<u>7.33%</u>
B. EXCLUDING FLEX RATE REVENUES	<u>7.33%</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)

8-9-13
(Date)

PSC/AFA13

ST. JOE NATURAL GAS COMPANY

YEAR END RATE BASE

JUNE 30, 2013

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN	ACCUMULATED	NET	PROPERTY HELD	CONSTRUCTION	NET	WORKING	TOTAL
	SERVICE	DEPRECIATION &	PLANT IN	FOR FUTURE USE	WORK IN	UTILITY PLANT	CAPITAL	RATE BASE
		AMORTIZATION	SERVICE		PROGRESS			
PER BOOKS	<u>7,887,343</u>	<u>4,417,656</u>	<u>3,469,687</u>		<u>74,294</u>	<u>3,543,981</u>	<u>933,948</u>	<u>4,477,929</u>
FPSC ADJUSTMENTS:								
PRO-RATA							-58,349	-58,349
NON-UTILITY	-1,155,881	-191,622	-964,259		-47,273	-1,011,532	-714,878	-1,726,410
TOTAL FPSC ADJUSTMENTS	<u>-1,155,881</u>	<u>-191,622</u>	<u>-964,259</u>		<u>-47,273</u>	<u>-1,011,532</u>	<u>-773,227</u>	<u>-1,784,759</u>
FPSC ADJUSTED	<u>6,731,462</u>	<u>4,226,034</u>	<u>2,505,428</u>	<u>#VALUE!</u>	<u>27,021</u>	<u>2,532,449</u>	<u>160,721</u>	<u>2,693,170</u>

**ST. JOE NATURAL GAS COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE 30, 2013**

SCHEDULE 4

	AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			NON-UTILITY	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT		483,598	-242,428	-9,360	231,810	8.59%	6.50	0.56	6.50	0.56	6.50	0.56
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	1.02%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		104,106	-52,188	-2,015	49,903	1.85%	2.00	0.04	2.00	0.04	2.00	0.04
COMMON EQUITY		2,529,157	-1,267,866	-48,952	1,212,339	44.95%	10.00	4.49	11.00	4.94	12.00	5.39
DEFERRED INCOME TAXES		258,705			258,705	9.59%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		916,609			916,609	33.98%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		1,235	-619	-24	592	0.02%	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		4,320,812	-1,563,101	-60,351	2,697,360	100.00%		5.09		5.54		5.99

	YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			NON-UTILITY	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT		557,798	-291,918	-9,866	256,014	9.51%	6.50	0.62	6.50	0.62	6.50	0.62
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	1.02%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		101,338	-53,034	-1,792	46,511	1.73%	2.00	0.03	2.00	0.03	2.00	0.03
COMMON EQUITY		2,637,294	-1,380,202	-46,648	1,210,444	44.94%	10.00	4.49	11.00	4.94	12.00	5.39
DEFERRED INCOME TAXES		260,549			260,549	9.67%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		891,148			891,148	33.09%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		2,400	-1,256	-42	1,102	0.04%	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		4,477,929	-1,726,410	-58,349	2,693,170	100.00%		5.15		5.60		6.05

ST. JOE NATURAL GAS COMPANY, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
JUNE 30, 2013

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	3.89	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00 %	
LONG TERM DEBT	-0.56 %	
CUSTOMER DEPOSITS	-0.04 %	
OTHER DEFERRED CREDITS	0.00 %	
SUBTOTAL	-0.60 %	
TOTAL	3.29 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	44.95 %	
JURISDICTIONAL RETURN ON COMMON EQUITY	7.33%	

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		%

