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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457  
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[www.stjoegas.com](http://www.stjoegas.com)

August 15, 2016

Mr. Andrew L Maurey, Director  
Division of Accounting & Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Preliminary Earnings Surveillance Report Ending June 2016

Please find enclosed the Earnings Surveillance Report for the twelve months ending June 30, 2016.

Sincerely,

Debbie Stitt  
Regulatory Analyst

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
2016 AUG 24 AM 11:09  
ACCOUNTING & FINANCE

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 1, 2016**

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)					
NET OPERATING INCOME	\$ -176,304	\$	\$ -176,304	\$	\$
AVERAGE RATE BASE	\$ 5,138,532	\$ -2,050,555	\$ 3,087,977	\$	\$
AVERAGE RATE OF RETURN	-3.43%		-5.71%		%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ 5,181,711	\$ -2,137,200	\$ 3,044,511		

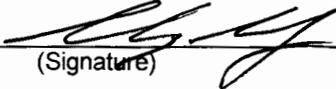
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		
	LOW	3.78 %
	MIDPOINT	4.67 %
	HIGH	5.05 %

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
A. INCLUDING	
FLEX RATE REVENUES	-16.45%
B. EXCLUDING	
FLEX RATE REVENUES	-16.45%

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)

8-20-16  
(Date)

PSC/AFA13





**ST. JOE NATURAL GAS COMPANY**  
**YEAR END RATE BASE**  
**JUNE 2016**

SCHEDULE 3

	(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	<u>8,875,972</u>	<u>5,259,340</u>	<u>3,616,632</u>		<u>81,205</u>	<u>3,697,837</u>	<u>1,483,875</u>	<u>5,181,712</u>
<u>FPSC ADJUSTMENTS:</u>								
PRO-RATA							-47,606	-47,606
NON-UTILITY	-1,586,161	-395,609	-1,190,552		-44,319	-1,234,871	-854,723	-2,089,594
TOTAL FPSC ADJUSTMENTS	<u>-1,586,161</u>	<u>-395,609</u>	<u>-1,190,552</u>		<u>-44,319</u>	<u>-1,234,871</u>	<u>-902,329</u>	<u>-2,137,200</u>
FPSC ADJUSTED	<u>7,289,811</u>	<u>4,863,731</u>	<u>2,426,080</u>		<u>36,886</u>	<u>2,462,966</u>	<u>581,546</u>	<u>3,044,512</u>

**ST. JOE NATURAL GAS COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
JUNE 2016**

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		557,798	-319,192	-8,220	230,386	7.46%	6.50	0.48	6.50	0.48	6.50	0.48
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	0.89%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		97,160	-55,598	-1,432	40,130	1.30%	2.00	0.03	2.00	0.03	2.00	0.03
COMMON EQUITY		2,827,527	-1,618,010	-41,670	1,167,847	37.82%	10.00	3.78	11.00	4.16	12.00	4.54
DEFERRED INCOME TAXES		853,842			853,842	27.65%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		763,843			763,843	24.74%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		10,961	-6,272	-162	4,527	0.15%	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
<b>TOTAL</b>		<b>5,138,533</b>	<b>-1,999,072</b>	<b>-51,484</b>	<b>3,087,977</b>	<b>100.00%</b>		<b>4.29</b>		<b>4.67</b>		<b>5.05</b>

	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	-328,383	-7,481	221,934	7.29%	6.50	0.47	6.50	0.47	6.50	0.47
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	0.90%	0.00		0.00		0.00	
CUSTOMER DEPOSITS		91,634	-53,946	-1,229	36,459	1.20%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY		2,889,174	-1,700,893	-38,750	1,149,530	37.76%	10.00	3.78	11.00	4.15	12.00	4.53
DEFERRED INCOME TAXES		866,499			866,499	28.46%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC		738,382			738,382	24.25%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS		10,823	-6,372	-145	4,306	0.14%	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
<b>TOTAL</b>		<b>5,181,712</b>	<b>-2,089,594</b>	<b>-47,606</b>	<b>3,044,512</b>	<b>100.00%</b>		<b>4.27</b>		<b>4.65</b>		<b>5.03</b>

