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August 21, 2019

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

Re: Actual Earnings Surveillance Report Ending December 2018

Please find enclosed the Actual Earnings Surveillance Report for the twelve months ending December 31, 2018.

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 ACTUAL DECEMBER 2018

Andy Shoaf, Vice-President
(Name and Title of Chief Financial Officer) 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. (Signature PSC/AFA13

ST. JOE NATURAL GAS COMPANY, INC. AVERAGE RATE OF RETURN RATE BASE **ACTUAL DECEMBER 31, 2018**

SCHEDULE 2 PAGE 1 OF 2

TOTAL PRO FORMA ADJUSTMENTS PRO FORMA ADJUSTED	FPSC ADJUSTED FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:	TOTAL FPSC ADJUSTMENTS	PRO RATA NON UTILITY	EPSC ADJUSTMENTS:	PER BOOKS
	7,556,565	-1,830,379	-1,830,379		PLANT IN SERVICE 9,386,944
	5,246,278	-551,609	-551,609		(2) ACCUMULATED DEPRECIATION & AMORTIZATION 5,797,887
	2,310,287	-1,278,770	-1,278,770		(3) NET PLANT IN SERVICE 3,589,057
					PROPERTY HELD FOR FUTURE USE
	194,095	-70,895	-70,895		CONSTRUCTION WORK IN PROGRESS 264,990
	2,504,382		-1,349,665		(7) NET UTILITY PLANT 3,854,047
	437,958	-919,760	-15,427 -904,333		(8) WORKING CAPITAL 1,357,718
	2,942,340	-2,269,425	-15,427 -2,253,998		(9) TOTAL RATE BASE 5,211,765

ST. JOE NATURAL GAS COMPANY AVERAGE RATE OF RETURN INCOME STATEMENT ACTUAL DECEMBER 31, 2018

PER BOOKS

FPSC ADJUSTMENTS:

OPERATING REVENUES 2,143,960

(2)
O & M
GAS EXPENSE

O& M OTHER 1,384,837

AMORTIZATION & 250,575

TAXES OTHER
THAN INCOME
148,899

(6)
INCOME TAXES
CURRENT

(NET)

(8)
INVESTMENT TAX
CREDIT
(NET)

(9)
GAIN/LOSS
ON DISPOSITION

(10) TOTAL OPERATING EXPENSES 2,221,020

(11)
NET
OPERATING
INCOME
-77,060

3

Ð

9

3

SCHEDULE 2 PAGE 2 OF 2

PER BOOKS CURRENT MONTH AMOUNT	TOTAL PRO FORMA ADJUSTMENTS PRO FORMA ADJUSTED	TOTAL FPSC ADJUSTMENTS FPSC ADJUSTED FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:
		2,143,960
		436,709
		1,384,837
		250,575
		148,899
		2 221,020
		-77,060

ST. JOE NATURAL GAS COMPANY YEAR END RATE BASE **ACTUAL DECEMBER 31, 2018**

SCHEDULE 3

FPSC ADJUSTED	TOTAL FPSC ADJUSTMENTS	PRO-RATA NON-UTILITY	EPSC ADJUSTMENTS:	PER BOOKS				
7,741,404	-1,909,659	-1,909,659		9,651,063	SERVICE	PLANT IN		(1)
5,332,115	-614,229	-614,229		5,946,344	AMORTIZATION	DEPRECIATION &	ACCUMULATED	(2)
2,409,289	-1,295,430	-1,295,430		3,704,719	SERVICE	PLANT IN	NET	(3)
					FOR FUTURE USE	PROPERTY HELD		(4)
269,798	-74,082	-74,082		343,880	PROGRESS	WORK IN	CONSTRUCTION	(5)
2,679,087	-1,369,512	-1,369,512		4,048,599	UTILITY PLANT	NET		(7)
128,976	-909,913	-46,143 -863,770		1,038,889	CAPITAL	WORKING		(8)
2,808,063	-2,279,425	-46,143 -2,233,282		5,087,488	RATE BASE	TOTAL		(9)

ST. JOE NATURAL GAS COMPANY CAPITAL STRUCTURE FPSC ADJUSTED BASIS ACTUAL DECEMBER 31, 2018

TOTAL	CUSTOMER ADVANCES FOR CONSTRUCTION	PROPANE DEPOSITS	OTHER DEFERRED CREDITS - FC	DEFERRED INCOME TAXES	COMMON EQUITY	CUSTOMER DEPOSITS	OTHER DEFERRED CREDITS - GC	SHORT TERM DEBT	LONG TERM DEBT	YEAR END		TOTAL	CUSTOMER ADVANCES FOR CONSTRUCTION	PROPANE DEPOSITS	OTHER DEFERRED CREDITS - FC	DEFERRED INCOME TAXES	COMMON EQUITY	CUSTOMER DEPOSITS	OTHER DEFERRED CREDITS - GC	SHORT TERM DEBT	LONG TERM DEBT	AVERAGE
5,087,489	0	10,962	611,077	598,592	3,058,268	61,188	27,402	0	720,000	PER BOOKS		5,211,763	0	11,545	636,538	809,044	3,195,480	73,292	27,402	0	458,462	PER BOOKS
-2,233,282					-1,778,891	-35,591		0	-418,800	ADJUSTMENTS NON-UTILITY		-2,253,998					-1,932,426	-44,322		0	-277,249	ADJUSTMENTS
-46,143					-36,755	-735		0	-8,653	PRO RATA		-15,427					-13,226	-303		0	-1,898	PRO RATA
2,808,064	0	10,962	611,077	598,592	1,242,622	24,862	27,402	0	292,547	ADJUSTED		2,942,338	0	11,545	636,538	809,044	1,249,827	28,666	27,402	0	179,315	AD III ISTED
100.00%	0.00%	0.39%	21.76%	21.32%	44.25%	0.89%	0.98%	0.00%	10.42%	RATIO (%)		100.00%	0.00%	0.39%	21.63%	27.50%	42.48%	0.97%	0.93%	0.00%	6.09%	RATIO
	0.00	0.00	0.00	0.00	10.00	2.00	0.00	8.00	6.50	COST RATE (%)	LOW POINT		0.00	0.00	0.00	0.00	10.00	2.00	0.00	8.00	6.50	LOW POINT COST RATE
5.12	0.00	0.00	0.00		4.43	0.02		0.00	0.68	WEIGHTED COST (%)		4.66	0.00	0.00	0.00		4.25	0.02		0.00	0.40	WEIGHTED COST
	0.00	0.00	0.00	0.00	11.00	2.00	0.00	8.00	6.50	COST RATE (%)	MIDPOINT		0.00	0.00	0.00	0.00	11.00	2.00	0.00	8.00	6.50	MIDPOINT COST RATE
5.56	0.00	0.00	0.00		4.87	0.02		0.00	0.68	WEIGHTED COST (%)		5.09	0.00	0.00	0.00		4.67	0.02		0.00	0.40	WEIGHTED COST
	0.00	0.00	0.00	0.00	12.00	2.00	0.00	8.00	6.50	COST RATE	HIGH POINT		0.00	0.00	0.00	0.00	12.00	2.00	0.00	8.00	6.50	HIGH POINT COST RATE
6.01	0.00	0,00	0.00		5.31	0.02		0.00	0.68	WEIGHTED COST (%)		5.51	0.00	0.00	0.00		5.10	0.02		0.00	0.40	WEIGHTED COST

SCHEDULE 5

ST. JOE NATURAL GAS COMPANY, INC. EARNED RETURN ON COMMON EQUITY FPSC ADJUSTED BASIS ACTUAL DEC 2018

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	-0.03	Schedule 1)
SHORT TERM DEBT	0.00) %
LONG TERM DEBT	-0.40	
CUSTOMER DEPOSITS	-0.02	
OTHER DEFERRED CREDITS	0.00	
SUBTOTAL	-0.42	
	-	
TOTAL	-0.44	1 %
DIVIDED BY RECONCILED COMMON EQUITY RATIO	42.48	3_%
JURISDICTIONAL RETURN ON COMMON EQUITY	-1.04%	<u>.</u>
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	S	- 70
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 FOLLITY		0/2