



Florida Public Service Commission

SPECIAL REPORT

APRIL 2016

Petition for limited proceeding to restructure rates by

St. Joe Natural Gas Company, Inc.

DOCKET NO. 160033-GU

On February 12, 2016, St. Joe Natural Gas Company, Inc. (St. Joe) filed a petition with the Florida Public Service Commission (PSC or Commission) for a limited proceeding to restructure rates. St. Joe currently provides natural gas to approximately 3,000 residential and commercial customers in Port St. Joe, Mexico Beach, Wewahitchka, and unincorporated areas of Gulf County, Florida.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for St. Joe's restructuring request, the Commission staff will conduct a customer meeting to allow customer feedback about St. Joe and the process by which the company's petition is being evaluated. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the customer meeting.

2 Why is St. Joe requesting a rate restructuring?

St. Joe lost its only industrial customer. The company is requesting to restructure rates to recover \$285,011 in lost annual revenues, thereby allowing the company to earn a fair rate of return on its investment.

3 When was St. Joe's last approved rate increase?

St. Joe's current rates were established by the Commission in 2008.

CUSTOMER MEETING

**Monday, April 11, 2016
11:00 A.M.**

Gulf County School Board
Board Room
150 Middle School Road
Port St. Joe, FL

4 Presently, how much is the average monthly bill (22 therms) for residential customers?

The average monthly bill (including gas cost) for St. Joe customers is \$40.58. This amount excludes energy conservation cost recovery charges, state and local government taxes, and franchise fees.

If cancelled, notice of meeting cancellation will be provided on the Commission's website (www.floridapsc.com) under the Hot Topics link found on the home page. Cancellation can also be confirmed by contacting the Office of General Counsel at (850) 413-6199.

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5 Using St. Joe's requested restructured rates, how much would the average monthly bill be for residential customers?

The average monthly bill (including gas cost) using St. Joe's requested restructured rates would be \$47.25 for residential customers.

6 What if I cannot attend the customer meeting or prefer not to speak? Are there other ways to comment on this case?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing.* Written comments should be mailed to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The PSC will also accept emailed comments at: clerk@psc.state.fl.us

Please be sure to include the docket number, **160033-GU**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider St. Joe's quality of service and other matters. If you have questions, contact the PSC's Office of Consumer Assistance & Outreach at 1-800-342-3552.

7 Who can answer technical or legal questions?

For technical questions, contact:

Don Rome
(850) 413-6495

Elisabeth Draper
(850) 413-6706

For legal questions, contact:

John Villafrate
(850) 413-6220

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC website at www.FloridaPSC.com. Click on **Clerk's Office** then **Dockets**. Type in the docket number, **160033**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on June 23, 2016. The Commissioners are expected to vote on this matter at the July 7, 2016 Commission Conference.

** Any email or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such email or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.*

PSC Commissioners



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St. Joe Natural Gas Company Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RESIDENTIAL - RS 1

Residential Usage between 0 and 150 therms per year

Average Usage: 7 therms per month

PRESENT RATES

Customer Charge
\$13.00

Energy Charge
(Cents per Therm)
70.441

Gas Cost Cents/Therm
55.000

PROPOSED RATES RS-1

Customer Charge
\$13.00

Energy Charge
(Cents per Therm)
129.614

Therm Usage Increment
1

<u>Therm Usage</u>	<u>Present Monthly Bill w/o Gas Cost</u>	<u>Present Monthly Bill with Gas Cost</u>	<u>Proposed Monthly Bill w/o Gas Cost</u>	<u>Proposed Monthly Bill with Gas Cost</u>	<u>Dollar Increase with Gas Cost</u>
0	\$13.00	\$13.00	\$13.00	\$13.00	\$0.00
1	\$13.70	\$14.25	\$14.30	\$14.85	\$0.59
2	\$14.41	\$15.51	\$15.59	\$16.69	\$1.18
3	\$15.11	\$16.76	\$16.89	\$18.54	\$1.78
4	\$15.82	\$18.02	\$18.18	\$20.38	\$2.37
5	\$16.52	\$19.27	\$19.48	\$22.23	\$2.96
6	\$17.23	\$20.53	\$20.78	\$24.08	\$3.55
7	\$17.93	\$21.78	\$22.07	\$25.92	\$4.14
8	\$18.64	\$23.04	\$23.37	\$27.77	\$4.73
9	\$19.34	\$24.29	\$24.67	\$29.62	\$5.33
10	\$20.04	\$25.54	\$25.96	\$31.46	\$5.92
11	\$20.75	\$26.80	\$27.26	\$33.31	\$6.51
12	\$21.45	\$28.05	\$28.55	\$35.15	\$7.10

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

St. Joe Natural Gas Company Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RESIDENTIAL - RS 2

Residential Usage between 150 and 300 therms per year

Average Usage: 22 therms per month

PRESENT RATES

Customer Charge
\$16.00

Energy Charge
(Cents per Therm)
56.729

Gas Cost Cents/Therm
55.000

PROPOSED RATES RS-2

Customer Charge
\$16.00

Energy Charge
(Cents per Therm)
87.058

Therm Usage Increment
2

<u>Therm Usage</u>	<u>Present Monthly Bill w/o Gas Cost</u>	<u>Present Monthly Bill with Gas Cost</u>	<u>Proposed Monthly Bill w/o Gas Cost</u>	<u>Proposed Monthly Bill with Gas Cost</u>	<u>Dollar Increase with Gas Cost</u>
12	\$22.81	\$29.41	\$26.45	\$33.05	\$3.64
14	\$23.94	\$31.64	\$28.19	\$35.89	\$4.25
16	\$25.08	\$33.88	\$29.93	\$38.73	\$4.85
18	\$26.21	\$36.11	\$31.67	\$41.57	\$5.46
20	\$27.35	\$38.35	\$33.41	\$44.41	\$6.07
22	\$28.48	\$40.58	\$35.15	\$47.25	\$6.67
24	\$29.61	\$42.81	\$36.89	\$50.09	\$7.28

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

St. Joe Natural Gas Company Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RESIDENTIAL - RS 3

Residential Usage equal to or greater than 300 therms per year

Average Usage: 43 therms per month

PRESENT RATES

Customer Charge
\$20.00

Energy Charge
(Cents per Therm)
50.381

Gas Cost Cents/Therm
55.000

PROPOSED RATES RS-3

Customer Charge
\$20.00

Energy Charge
(Cents per Therm)
72.859

Therm Usage Increment
5

<u>Therm Usage</u>	<u>Present Monthly Bill w/o Gas Cost</u>	<u>Present Monthly Bill with Gas Cost</u>	<u>Proposed Monthly Bill w/o Gas Cost</u>	<u>Proposed Monthly Bill with Gas Cost</u>	<u>Dollar Increase with Gas Cost</u>
28	\$34.11	\$49.51	\$40.40	\$55.80	\$6.29
33	\$36.63	\$54.78	\$44.04	\$62.19	\$7.42
38	\$39.14	\$60.04	\$47.69	\$68.59	\$8.54
43	\$41.66	\$65.31	\$51.33	\$74.98	\$9.67
48	\$44.18	\$70.58	\$54.97	\$81.37	\$10.79
53	\$46.70	\$75.85	\$58.62	\$87.77	\$11.91
58	\$49.22	\$81.12	\$62.26	\$94.16	\$13.04
63	\$51.74	\$86.39	\$65.90	\$100.55	\$14.16
68	\$54.26	\$91.66	\$69.54	\$106.94	\$15.29
73	\$56.78	\$96.93	\$73.19	\$113.34	\$16.41
78	\$59.30	\$102.20	\$76.83	\$119.73	\$17.53
83	\$61.82	\$107.47	\$80.47	\$126.12	\$18.66

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

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STAMP

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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