

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0856

-M-E-M-O-R-A-N-D-U-M-

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RECORDS AND REPORTING

DATE: JANUARY 25, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (MERTA, L. ROMIG, JR, D.M. ROY)  
C. ROMIG, D. DRAPER, P. LEE, WHEELER, SPRINGER, STALLCUP)  
DIVISION OF COMPETITIVE SERVICES (MAKIN)  
DIVISION OF LEGAL SERVICES (HART) RVE/BOH/DJD

RE: DOCKET NO. 001447-GU - REQUEST FOR RATE INCREASE BY ST. JOE NATURAL GAS COMPANY, INC. ALM

AGENDA: 02/06/01 - REGULAR AGENDA - DECISION ON INTERIM RATES - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: 60-DAY SUSPENSION DATE: FEBRUARY 13, 2001  
5 MONTH EFFECTIVE DATE: MAY 15, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\001447.RCM  
R:\001447.123 - ATTACHMENTS 1-5  
R:\001447a.123 - ATTACHMENTS 6 & 7

CASE BACKGROUND

This proceeding commenced on December 15, 2000, with the filing of a petition for a permanent rate increase by St. Joe Natural Gas Company, Inc. (St. Joe or the company). St. Joe requested an increase of \$551,923 in additional annual revenues. The company based its request on a 13-month average rate base of \$4,371,104 for a projected test year ending December 31, 2001. The requested overall rate of return is 6.32% based on an 11.50% return on equity.

The company also requested an interim increase of \$459,185. It calculated the interim increase request using a 13-month average rate base of \$4,353,279, at a 5.66% rate of return using a 10.00%

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FPSC-RECORDS/REPORTING

DOCKET NO. 001447-GU  
DATE: January 25, 2001

return on equity. The interim test year is the period ended December 31, 1999.

The Commission last granted St. Joe a \$19,895 rate increase in Docket No. 8702-GU. In Order No. 4138, issued February 16, 1967, the Commission found the company's jurisdictional rate base to be \$313,229 for the test year ending July 31, 1966. The allowed rate of return was found to be 7.40% for the test year. The company has had several rate proceedings since then. The company filed MMFRs in Docket No. 890924-GU; in Docket No. 931102-GU, the Commission reduced St. Joe's return on equity; and the company's 1994 and 1995 earnings were reviewed in Docket No. 960930-GU. In addition, the Commission approved a rate restructuring by Order No. PSC-97-0526-FOF-GU, in Docket No. 970115-GU, issued May 7, 1997. The rate changes had no effect on the company's total revenues, i.e., the company was held revenue neutral in the restructuring.

Pursuant to Section 366.06(4), Florida Statutes, St. Joe requested in this case to proceed under the rules governing Proposed Agency Action (PAA). Under that section, the Commission must enter its vote on the PAA within 5 months of the date on which a complete set of minimum filing requirements (MFRs) is filed with the Commission. The Commission has jurisdiction over this request for a rate increase and interim rate increase under Sections 366.06(2), and 366.071, Florida Statutes.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the request for a permanent increase in rates and charges be suspended for St. Joe?

**RECOMMENDATION:** Yes. Staff recommends that the requested permanent increase in rates and charges of \$551,923 be suspended for St. Joe. (MERTA, L. ROMIG)

**STAFF ANALYSIS:** St. Joe filed its petition and a complete set of MFRs on December 15, 2000. St. Joe requested a permanent rate increase of \$551,923 which would produce a 6.32% overall return on its 13-month average adjusted rate base. This overall rate of return was calculated using an 11.50% return on equity. The company also requested interim rate relief in accordance with Section 366.071, Florida Statutes. In order to allow staff time to complete its review of the company's MFRs, staff recommends that the proposed rates be suspended.

The Commission must take action to suspend the permanent rates and act on the interim request within 60 days of the filing, which is on or before February 13, 2001. The permanent rates will take effect May 15, 2001, absent Commission vote.

**ISSUE 2:** Is St. Joe's proposed interim test year rate base of \$4,353,279 appropriate?

**RECOMMENDATION:** Yes. The appropriate interim test year rate base for St. Joe is \$4,353,279. (MERTA, L. ROMIG)

**STAFF ANALYSIS:** The company filed its request for interim based on current Commission practice and philosophy, which is consistent with the company's most recent rate proceedings. Staff reviewed the rate base adjustments made in the current filing and believes the company's adjustments are reasonable. Rate Base is shown in Attachments 1 and 1A.

**ISSUE 3:** Is St. Joe's proposed interim test year net operating income of (\$31,410) appropriate?

**RECOMMENDATION:** No. The appropriate interim test year net operating income for St. Joe is \$31,147. (MERTA, L. ROMIG, C. ROMIG)

**STAFF ANALYSIS:** Discussed below are staff's adjustments used to determine the recommended test year net operating income of \$31,147. Upon review of the MFR's, staff recommends that the following adjustments are appropriate. These adjustments are shown on Attachment 2.

**Adjustment 1:** Annualize Revenues for Rate Restructuring - Order No. PSC-97-0526-FOF-GU, authorized the company to phase-in a rate restructuring over a two-year period. Interval III was effective May 21, 1999. The rate changes authorized by the restructuring were intended to hold the company revenue neutral. However, when St. Joe's largest industrial customer stopped taking gas in late 1998 and declared bankruptcy in 1999, the loss of this revenue caused the rate change to no longer be revenue neutral. The residential and commercial classes received rate increases in 1999. Chapter 366.071(5)(b)(1), Florida Statutes, requires the annualizing of any rate changes occurring during the interim period. Since 1999 is the interim test year, revenues should be increased by \$48,602 to annualize the May 1999 rate change. In addition, Taxes Other should be increased by \$1,458 for \$1,215 in Gross Receipts Tax and \$243 in Regulatory Assessment Fees associated with the increase to Revenue.

**Adjustment 2:** Franchise Fees - In 1999, the company collected \$1,384 for 1999 franchise fees due to the City of Mexico Beach and paid \$1,700 for the 1998 franchise fees. The company made an adjustment to remove \$1,384 from Revenue and \$1,384 from O&M expense. Staff recommends that O&M expense be reduced by \$316 for the expense paid in 1999 ( $\$1,700 - \$1,384 = \$316$ ). Franchise Fees should be recorded in Taxes Other.

**Adjustment 3:** Intangible Tax - In 1999, St. Joe recorded \$5,245 in intangible tax. Of that amount, \$4,987 is attributable to intangible tax paid by St. Joe as agent for its stockholders. Staff recommends that the intangible tax paid on behalf of its stockholders should be disallowed and therefore recommends that Taxes Other - Intangible Tax be reduced by \$4,987.

**Adjustment 4:** Reverse Adjustments to Revenue and Taxes Other - The company made adjustments to remove \$24,302 from Revenue and \$729 from Taxes Other for Gross Receipts Tax and Regulatory Assessment Fees. Gross Receipts Tax and Regulatory Assessment Fees are embedded in the company's current rates and included in its revenue

expansion factor. Therefore, Revenue and Taxes Other should not be reduced. Staff recommends reversing the company's adjustments to Revenue and Taxes Other; Revenue should be increased by \$24,302, Gross Receipts Tax should be increased by \$608 and Regulatory Assessment Fees should be increased by \$122, an increase to Taxes Other of \$729.

**Adjustment 5:** Gross Receipts Tax and Regulatory Assessment Fee - The company included \$29,280 in Taxes Other for Gross Receipts Tax and Regulatory Assessment Fees. After staff reversed the company adjustments in Adjustment 4, the amount in the company filing is \$30,009. Based on the adjusted amount of revenue, the correct amount of Gross Receipts Tax and Regulatory Assessment Fees should be \$29,195. Therefore, staff recommends that Taxes Other be reduced by \$814 ( $\$30,009 - \$29,195 = \$814$ ).

**Adjustment 6:** Income Tax - In error, in its MFRs, the company's per book income tax expense was reflected as zero. To the company's per books amount, the company made certain adjustments for other company adjustments, resulting in company adjusted income tax expense of \$(6,109). Therefore, the company adjusted amount of \$(6,109) was incorrect. To estimate a reasonable level of income tax expense, Staff prepared an independent calculation using staff adjusted revenues and expenses along with the interest inherent in the staff's capital structure reconciled with rate base. The result is staff adjusted income tax expense of \$8,167 and an increase to income tax expense of \$14,276 ( $\$6,109 + \$8,167 = \$14,276$ ).

**ISSUE 4:** Are St. Joe's proposed interim return on equity of 10.00% and overall rate of return of 5.66% appropriate?

**RECOMMENDATION:** Yes. For interim purposes, the appropriate return on equity is 10.00% and the appropriate overall rate of return is 5.66%. (D. DRAPER)

**STAFF ANALYSIS:** Section 366.071(5)(b)3, Florida Statutes, provides that:

the last authorized return on equity for purposes of this subsection shall be established only: in the most recent rate case of the utility; in a limited proceeding for the individual utility; or by voluntary stipulation of the utility approved by the Commission.

Because St. Joe's last rate case took place in 1967, the company requested that its last rate restructuring order be used. Staff concurs and used the data from Order No. PSC-97-0526-FOF-GU.

Based on St. Joe's MFRs, staff made a correction to the company's capital structure adjustments. After conferring with the company, staff corrected the specific and pro-rata adjustments to reflect a specific adjustment of \$72,883 removed from common equity and a negative pro-rata adjustment of \$13,833 over investor sources. The company originally had these adjustments as all specific adjustments to the capital structure.

Staff used a 6.00% cost rate for customer deposits, which is based on Commission Rule 25-7.083(5)(a), Florida Administrative Code. The company included short-term debt in its capital structure with a cost rate of 10.75%. The company's last authorized rate of return on common equity was 11.00%, with a range from 10.00% to 12.00% (Order No. PSC-93-1775-FOF-GU, issued December 10, 1993). Using a 10.00% cost of equity and staff's adjusted capital structure, staff calculated the overall weighted cost of capital for interim basis as 5.66%. A schedule of the interim capital structure is included in Attachment 3.

**ISSUE 5:** Is St. Joe's proposed interim revenue expansion factor of 1.6529 appropriate?

**RECOMMENDATION:** Yes. St. Joe's proposed interim revenue expansion factor is appropriate. (C. ROMIG, MERTA)

**STAFF ANALYSIS:** Staff reviewed the company's calculations and agrees with the company's proposed expansion factor of 1.6529, shown on Attachment 4.

**ISSUE 6:** Should St. Joe's requested interim revenue increase of \$459,185 be granted?

**RECOMMENDATION:** No. After making the above adjustments, the interim revenue increase for St. Joe should be \$355,984. (MERTA)

**STAFF ANALYSIS:** The company requested \$459,185 in interim revenue relief for the historical base year ended December 31, 1999. Based on the company's calculations and adjustments, this would have allowed the company to earn an overall rate of return of 5.66%. Based on the previously discussed staff adjustments, staff has determined the interim rate base is \$4,353,278, and the net operating income is \$31,147. Applying a 5.66% overall rate of return, the company is entitled to \$355,984 in interim relief, as shown in Attachment 5.

**ISSUE 7:** How should the interim revenue increase for St. Joe be distributed among the rate classes?

**RECOMMENDATION:** Any interim revenue increase authorized should be applied evenly across the board to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, and should be collected on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the vote and decision herein. (WHEELER, SPRINGER)

**STAFF ANALYSIS:** As shown on Attachments 6(a) & 6(b), staff has determined the cents-per-therm increases to be applied to the rate classes based on staff's recommended interim increase. The increases were calculated using the methodology contained in Rule 25-7.040, Florida Administrative Code, which requires that any increase be applied evenly across the board to all rate classes based on their base rate revenues. Attachments 7(a) through 7(d) contains bill comparisons for each class comparing the present rates with the recommended interim increase.

The interim rates proposed by St. Joe in its filing did not allocate any of the increase to one customer in its Contract Transportation Service rate class. Because St. Joe has proposed to decrease the rate to this customer due to competitive considerations, they did not believe that an interim increase was appropriate. However, in the absence of a rule waiver, staff was constrained by the methodology prescribed by the rule, which requires an across-the-board increase to all rate classes.

The interim rates should be made effective for all meter readings made on or after thirty days from the date of the Commission vote and decision herein. The company should be required to give appropriate notice to customers commencing with the first bill for service which reflects the increase authorized herein, explaining the nature, purpose, and effect of the increase. A copy of the notice should be submitted to the Division of Economic Regulation for approval prior to its use.



**ISSUE 8:** What is the appropriate security to guarantee the amount subject to refund?

**RECOMMENDATION:** A corporate undertaking in the amount of \$88,996 guaranteed by St. Joe is appropriate. Interim rates are subject to refund with interest, pending final order in the permanent rate relief request. (D. DRAPER)

**STAFF ANALYSIS:** The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. Based on the analysis of St. Joe's financial condition, staff recommends that St. Joe can support a corporate undertaking in the amount of \$88,996. This amount represents three months of revenue that St. Joe will collect during the interim period. This treatment complies with Section 366.071(2)(a) and (c), Florida Statutes, and with prior Commission practice.

**ISSUE 9:** Should this docket be closed?

**RECOMMENDATION:** No. This docket should remain open to process the revenue increase request of the company. (HART)

**STAFF ANALYSIS:** This docket should remain open pending the final resolution of the company's requested rate increase.

COMPARATIVE AVERAGE RATE BASES

ATTACHMENT 1  
25-Jan-2001  
INTERIM

ST. JOE NATURAL GAS COMPANY, INC.  
DOCKET NO 001447-GU  
TYE 12/31/99

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
PLANT IN SERVICE					
UTILITY PLANT	6,011,044				
COMMON PLANT ALLOCATED	0				
ACQUISITION ADJUSTMENT	0				
PLANT HELD FOR FUTURE USE	0				
CONSTRUCTION WORK IN PROGRESS	14,580				
TOTAL PLANT	<u>6,025,624</u>	<u>0</u>	<u>6,025,624</u>	<u>0</u>	<u>6,025,624</u>
DEDUCTIONS					
ACCUM. DEPR.- PLANT IN SERVICE	1,949,542				
CUSTOMER ADVANCES FOR CONSTR.	0			-	
TOTAL DEDUCTIONS	<u>1,949,542</u>	<u>0</u>	<u>1,949,542</u>	<u>0</u>	<u>1,949,542</u>
NET UTILITY PLANT	4,076,082	0	4,076,082	0	4,076,082
WORKING CAPITAL ALLOWANCE	<u>(1,701,271)</u>	<u>1,978,467</u>	<u>277,196</u>	<u>0</u>	<u>277,196</u>
TOTAL RATE BASE	<u>2,374,811</u>	<u>1,978,467</u>	<u>4,353,278</u>	<u>0</u>	<u>4,353,278</u>

COMPARATIVE WORKING CAPITAL COMPONENTS

ATTACHMENT 1A

25-Jan-2001

INTERIM

ST JOE NATURAL GAS COMPANY, INC  
DOCKET NO 001447-GU  
TYE 12/31/99

ADJ NO.	COMPANY AS FILED			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
WORKING CAPITAL	(1,701,271)				
Notes Receivable		(4,222)			
Accounts Receivable - Gas		(163,617)			
Merchandise Jobbing & Other		(9,460)			
Accum. Prov. Uncollect. Accts. - Gas		66,765			
Materials & Supplies		(13,175)			
Merchandise		(4,343)			
Notes Payable		150,000			
Customer Deposits		26,370			
Taxes Accrued - General		6,811			
Taxes Accrued - Income		34,523			
Accum. Def. Income Tax		287,827			
Other Deferred Credits - FCPC		1,578,595			
Other Deferred Credits - GCI		22,393			
TOTALS	<u>(1,701,271)</u>	<u>1,978,467</u>	<u>277,196</u>	<u>0</u>	<u>277,196</u>

ST. JOE NATURAL GAS COMPANY, INC.  
DOCKET NO. 001447-GU  
TYE 12/31/9925-Jan-2001  
INTERIM

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
	OPERATING REVENUES	1,677,701			
	Remove non-regulated revenue		(5,961)		
	Remove PGA revenue		(443,529)		
4	Remove GRT & Reg. Assess. Rev.		(24,302)	24,302	
	Franchise Fee - Mexico Beach		(1,384)		
	FCPC Revenues Reported/Not Collected		(227,039)		
1	Annualize revenues			48,602	
	<b>TOTAL REVENUES</b>	<b>1,677,701</b>	<b>(702,215)</b>	<b>72,904</b>	<b>1,048,390</b>
	OPERATING EXPENSES:				
	OPERATION & MAINTENANCE EXPENSE	1,312,149			
	Reverse FPCP Bad Debt Expense		(227,039)		
	Donations		(2,285)		
	Penalties		(554)		
	Field line purchases		(215,394)		
	Gas purchased FGT		(315,681)		
	PGA - unrecovered gas cost		100,464		
	FCPC - uncollectible account		29,620		
	Interest charges		(17,059)		
2	Franchise Fee - Mexico Beach		(1,384)	(316)	
	<b>TOTAL O &amp; M EXPENSE</b>	<b>1,312,149</b>	<b>(649,312)</b>	<b>(316)</b>	<b>662,521</b>

ST. JOE NATURAL GAS COMPANY, INC.  
DOCKET NO. 001447-GU  
TYE 12/31/99

25-Jan-2001  
INTERIM

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
	DEPRECIATION & AMORTIZATION	231,093			
	TOTAL DEPRECIATION & AMORT.	<u>231,093</u>	<u>0</u>	<u>231,093</u>	<u>0</u>
	TAXES OTHER THAN INCOME	139,534			
	Remove PGA		(12,918)		
4	Imbedded revenue - GRT & Reg. Assess.		(729)	729	
	FCPC Revenue-Not Collected		(6,811)		
1	Annualize revenue-GRT& Reg. Assess.			1,458	
3	Intangible Tax			(4,987)	
5	GRT & Reg. Assess.			(814)	
	TOTAL TAXES OTHER THAN INCOME	<u>139,534</u>	<u>(20,458)</u>	<u>119,076</u>	<u>(3,614)</u>
	INCOME TAX EXPENSE				
6	Federal & State	0	(6,109)	14,276	
	TOTAL INCOME TAXES	<u>0</u>	<u>(6,109)</u>	<u>(6,109)</u>	<u>14,276</u>
	TOTAL OPERATING EXPENSES	1,682,776	(675,879)	1,006,897	1,017,243
	NET OPERATING INCOME	<u>(5,075)</u>	<u>(26,336)</u>	<u>(31,411)</u>	<u>62,558</u>

**St. Joe Natural Gas Company**

FPSC Adjusted Capital Structure  
 December 31, 1999  
 Docket No. 001447-GU  
 13 Month Average

	COMPANY ADJUSTMENTS			RATE BASE ADJUSTMENTS			RATIO	COST RATE	WEIGHTED COST	
	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED PER BOOKS	SPECIFIC	PRO RATA				STAFF ADJUSTED
COMMON EQUITY	2,374,810	(72,883)	(12,849)	2,289,078			2,289,078	52.58%	10.00%	5.26%
LONG TERM DEBT	\$0		0	0			0	0.00%	0.00%	0.00%
SHORT TERM DEBT	150,000		(837)	149,163			149,163	3.43%	10.75%	0.37%
CUSTOMER DEPOSITS	26,370		(147)	26,223			26,223	0.60%	6.00%	0.04%
OTHER DEFERRED CREDIT - FC	1,578,595			1,578,595			1,578,595	36.26%	0.00%	0.00%
OTHER DEFERRED CREDIT - GC	22,393			22,393			22,393	0.51%	0.00%	0.00%
DEFERRED INCOME TAX	287,827			287,827			287,827	6.61%	0.00%	0.00%
	<u>\$4,439,995</u>	<u>(\$72,883)</u>	<u>(\$13,833)</u>	<u>\$4,353,279</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,353,279</u>	<u>100%</u>		<u>5.66%</u>

NET OPERATING INCOME MULTIPLIER

ST. JOE NATURAL GAS COMPANY, INC.  
 DOCKET NO. 001447-GU  
 TYE 12/31/99

ATTACHMENT 4  
 25-Jan-2001  
 INTERIM

<u>DESCRIPTION</u>	<u>COMPANY PER FILING</u>	<u>STAFF</u>
REVENUE REQUIREMENT	100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	2.5000%	2.5000%
REGULATORY ASSESSMENT RATE	0.5000%	0.5000%
BAD DEBT RATE	0.0000%	0.0000%
NET BEFORE INCOME TAXES	<u>97.0000%</u>	<u>97.0000%</u>
STATE INCOME TAX RATE	5.5000%	5.5000%
STATE INCOME TAX	5.3350%	5.3350%
NET BEFORE FEDERAL INCOME TAXES	<u>91.6650%</u>	<u>91.6650%</u>
FEDERAL INCOME TAX RATE	34.0000%	34.0000%
FEDERAL INCOME TAX	31.1661%	31.1661%
REVENUE EXPANSION FACTOR	<u>60.4989%</u>	<u>60.4989%</u>
NET OPERATING INCOME MULTIPLIER	<u>1.6529</u>	<u>1.6529</u>

COMPARATIVE REVENUE DEFICIENCY CALCULATIONS

ST. JOE NATURAL GAS COMPANY, INC.  
 DOCKET NO. 001447-GU  
 TYE 12/31/99

ATTACHMENT 5  
 25-Jan-2001  
 INTERIM

	<u>COMPANY ADJUSTED</u>	<u>STAFF</u>
RATE BASE (AVERAGE)	\$4,353,278	\$4,353,278
RATE OF RETURN	X <u>5.66%</u>	X <u>5.66%</u>
REQUIRED NOI	<u>\$246,396</u>	<u>\$246,516</u>
 Operating Revenues	 975,486	 1,048,390
 Operating Expenses:		
Operation & Maintenance	662,837	662,521
Depreciation & Amortization	231,093	231,093
Amortization of Environ. Costs	0	0
Taxes Other than Income Taxes	119,076	115,462
Income Taxes	(6,109)	8,167
Total Operating Expenses	1,006,897	1,017,243
 ACHIEVED NOI	 <u>(31,411)</u>	 <u>31,147</u>
 NET REVENUE DEFICIENCY	 277,807	 215,369
 Revenue Tax Factor	 1.6529	 1.6529
 TOTAL REVENUE DEFICIENCY	 <u>\$459,186</u>	 <u>\$355,984</u>



COMPANY: ST. JOE GAS COMPANY OF FLORIDA  
 ALLOCATION OF INTERIM INCREASE  
 BASED ON 12 MONTHS ENDED: 12/31/1999

ATTACHMENT : 6(a)  
 DOCKET NO. 001447-GU

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	ENERGY CHARGE	(4)+(5) TOTAL	(6)X(8) \$ INCREASE	(7)/(6) % INCREASE	(7)/(3) INCREASE CENTS PER THERM
RESIDENTIAL	37,814	948,523	\$226,884	\$229,030	\$455,914	\$162,259	35.59%	17.107
COMMERCIAL	2,446	73,684	\$29,352	\$22,014	\$51,366	\$18,281	35.59%	24.810
LARGE COMMERCIAL	537	241,115	\$18,795	\$24,266	\$43,061	\$15,325	35.59%	6.356
CONTRACT TRANSPORTATION	48	9,874,625	\$48,000	\$401,897	\$449,897	\$160,118	35.59%	1.622
<b>TOTAL</b>	<u>40,845</u>	<u>11,137,947</u>	<u>\$323,031</u>	<u>\$677,207</u>	<u>\$1,000,238</u>	<u>\$355,984</u>	<u>35.59%</u>	<u>3.196</u>

NOTE: REVENUES ABOVE DO NOT INCLUDE FUEL

COMPANY: ST. JOE GAS COMPANY OF FLORIDA  
STAFF PROPOSED INTERIM RATES

RATE SCHEDULE	PRESENT RATES	PSC STAFF RECOMMENDED RATES
<u>RESIDENTIAL</u> CUSTOMER CHARGE ENERGY CHARGE (cents/therm)	\$6.00 24.146	\$6.00 41.253
<u>COMMERCIAL</u> CUSTOMER CHARGE ENERGY CHARGE (cents/therm)	\$12.00 29.876	\$12.00 54.686
<u>LARGE COMMERCIAL</u> CUSTOMER CHARGE ENERGY CHARGE (cents/therm)	\$35.00 10.064	\$35.00 16.420
<u>CONTRACT TRANSPORTATION</u> CUSTOMER CHARGE ENERGY CHARGE (cents/therm)	\$1,000.00 4.070	\$1,000.00 5.692

RATE COMPARISON

RATE SCHEDULE: RESIDENTIAL

PRESENT RATES

INTERIM RATES

Customer Charge  
\$6.00

Customer Charge  
\$6.00

Cents  
per Therm

Cents  
per Therm

24.146

41.253

Gas Cost Cents/Therm: 82.100

Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	\$8.41	\$16.62	\$10.13	\$18.34	20.33%	10.29%	\$1.71
20	\$10.83	\$27.25	\$14.25	\$30.67	31.59%	12.56%	\$3.42
30	\$13.24	\$37.87	\$18.38	\$43.01	38.75%	13.55%	\$5.13
40	\$15.66	\$48.50	\$22.50	\$55.34	43.70%	14.11%	\$6.84
50	\$18.07	\$59.12	\$26.63	\$67.68	47.33%	14.47%	\$8.55
60	\$20.49	\$69.75	\$30.75	\$80.01	50.10%	14.72%	\$10.26
70	\$22.90	\$80.37	\$34.88	\$92.35	52.29%	14.90%	\$11.97
80	\$25.32	\$91.00	\$39.00	\$104.68	54.06%	15.04%	\$13.69
90	\$27.73	\$101.62	\$43.13	\$117.02	55.52%	15.15%	\$15.40
100	\$30.15	\$112.25	\$47.25	\$129.35	56.75%	15.24%	\$17.11
110	\$32.56	\$122.87	\$51.38	\$141.69	57.79%	15.32%	\$18.82
120	\$34.98	\$133.50	\$55.50	\$154.02	58.69%	15.38%	\$20.53
130	\$37.39	\$144.12	\$59.63	\$166.36	59.48%	15.43%	\$22.24
140	\$39.80	\$154.74	\$63.75	\$178.69	60.17%	15.48%	\$23.95
150	\$42.22	\$165.37	\$67.88	\$191.03	60.78%	15.52%	\$25.66
160	\$44.63	\$175.99	\$72.00	\$203.36	61.32%	15.55%	\$27.37
170	\$47.05	\$186.62	\$76.13	\$215.70	61.81%	15.58%	\$29.08
180	\$49.46	\$197.24	\$80.26	\$228.04	62.25%	15.61%	\$30.79
190	\$51.88	\$207.87	\$84.38	\$240.37	62.65%	15.64%	\$32.50
200	\$54.29	\$218.49	\$88.51	\$252.71	63.02%	15.66%	\$34.21

RATE COMPARISON

RATE SCHEDULE: **COMMERCIAL**

PRESENT RATES

INTERIM RATES

Customer Charge  
\$12.00

Customer Charge  
\$12.00

Cents  
per Therm  
29.876

Cents  
per Therm  
54.686

Gas Cost Cents/Therm: 82.100

Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	\$14.99	\$23.20	\$17.47	\$25.68	16.55%	10.70%	\$2.48
20	\$17.98	\$34.40	\$22.94	\$39.36	27.60%	14.43%	\$4.96
30	\$20.96	\$45.59	\$28.41	\$53.04	35.51%	16.32%	\$7.44
40	\$23.95	\$56.79	\$33.87	\$66.71	41.44%	17.47%	\$9.92
50	\$26.94	\$67.99	\$39.34	\$80.39	46.05%	18.25%	\$12.41
60	\$29.93	\$79.19	\$44.81	\$94.07	49.74%	18.80%	\$14.89
70	\$32.91	\$90.38	\$50.28	\$107.75	52.77%	19.21%	\$17.37
80	\$35.90	\$101.58	\$55.75	\$121.43	55.29%	19.54%	\$19.85
90	\$38.89	\$112.78	\$61.22	\$135.11	57.42%	19.80%	\$22.33
100	\$41.88	\$123.98	\$66.69	\$148.79	59.25%	20.01%	\$24.81
110	\$44.86	\$135.17	\$72.15	\$162.46	60.83%	20.19%	\$27.29
120	\$47.85	\$146.37	\$77.62	\$176.14	62.22%	20.34%	\$29.77
130	\$50.84	\$157.57	\$83.09	\$189.82	63.44%	20.47%	\$32.25
140	\$53.83	\$168.77	\$88.56	\$203.50	64.53%	20.58%	\$34.73
150	\$56.81	\$179.96	\$94.03	\$217.18	65.50%	20.68%	\$37.22
160	\$59.80	\$191.16	\$99.50	\$230.86	66.38%	20.77%	\$39.70
170	\$62.79	\$202.36	\$104.97	\$244.54	67.17%	20.84%	\$42.18
180	\$65.78	\$213.56	\$110.43	\$258.21	67.89%	20.91%	\$44.66
190	\$68.76	\$224.75	\$115.90	\$271.89	68.55%	20.97%	\$47.14
200	\$71.75	\$235.95	\$121.37	\$285.57	69.15%	21.03%	\$49.62

RATE COMPARISON

RATE SCHEDULE: **LARGE COMMERCIAL**

PRESENT RATES

INTERIM RATES

Customer Charge  
\$35.00

Customer Charge  
\$35.00

Cents  
per Therm  
10.064

Cents  
per Therm  
16.420

Gas Cost Cents/Therm: 82.100

Therm usage Increment 200

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
200	\$55.13	\$219.33	\$67.84	\$232.04	23.06%	5.80%	\$12.71
400	\$75.26	\$403.66	\$100.68	\$429.08	33.78%	6.30%	\$25.42
600	\$95.38	\$587.98	\$133.52	\$626.12	39.98%	6.49%	\$38.14
800	\$115.51	\$772.31	\$166.36	\$823.16	44.02%	6.58%	\$50.85
1000	\$135.64	\$956.64	\$199.20	\$1,020.20	46.86%	6.64%	\$63.56
1200	\$155.77	\$1,140.97	\$232.04	\$1,217.24	48.97%	6.68%	\$76.27
1400	\$175.90	\$1,325.30	\$264.88	\$1,414.28	50.59%	6.71%	\$88.98
1600	\$196.02	\$1,509.62	\$297.72	\$1,611.32	51.88%	6.74%	\$101.70
1800	\$216.15	\$1,693.95	\$330.56	\$1,808.36	52.93%	6.75%	\$114.41
2000	\$236.28	\$1,878.28	\$363.40	\$2,005.40	53.80%	6.77%	\$127.12
2200	\$256.41	\$2,062.61	\$396.24	\$2,202.44	54.53%	6.78%	\$139.83
2400	\$276.54	\$2,246.94	\$429.08	\$2,399.48	55.16%	6.79%	\$152.54
2600	\$296.66	\$2,431.26	\$461.92	\$2,596.52	55.70%	6.80%	\$165.26
2800	\$316.79	\$2,615.59	\$494.76	\$2,793.56	56.18%	6.80%	\$177.97
3000	\$336.92	\$2,799.92	\$527.60	\$2,990.60	56.60%	6.81%	\$190.68
3200	\$357.05	\$2,984.25	\$560.44	\$3,187.64	56.96%	6.82%	\$203.39
3400	\$377.18	\$3,168.58	\$593.28	\$3,384.68	57.30%	6.82%	\$216.10
3600	\$397.30	\$3,352.90	\$626.12	\$3,581.72	57.59%	6.82%	\$228.82
3800	\$417.43	\$3,537.23	\$658.96	\$3,778.76	57.86%	6.83%	\$241.53
4000	\$437.56	\$3,721.56	\$691.80	\$3,975.80	58.10%	6.83%	\$254.24

RATE COMPARISON

RATE SCHEDULE: CONTRACT TRANSPORTATION

PRESENT RATES

INTERIM RATES

Customer Charge  
\$1,000

Customer Charge  
\$1,000

Cents  
per Therm  
4.070

Cents  
per Therm  
5.692

Gas Cost Cents/Therm: N/A Therm usage Increment 10,000

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10,000	\$1,407.00	N/A	\$1,569.20	N/A	11.53%	N/A	\$162.20
20,000	\$1,814.00	N/A	\$2,138.40	N/A	17.88%	N/A	\$324.40
30,000	\$2,221.00	N/A	\$2,707.60	N/A	21.91%	N/A	\$486.60
40,000	\$2,628.00	N/A	\$3,276.80	N/A	24.69%	N/A	\$648.80
50,000	\$3,035.00	N/A	\$3,846.00	N/A	26.72%	N/A	\$811.00
60,000	\$3,442.00	N/A	\$4,415.20	N/A	28.27%	N/A	\$973.20
70,000	\$3,849.00	N/A	\$4,984.40	N/A	29.50%	N/A	\$1,135.40
80,000	\$4,256.00	N/A	\$5,553.60	N/A	30.49%	N/A	\$1,297.60
90,000	\$4,663.00	N/A	\$6,122.80	N/A	31.31%	N/A	\$1,459.80
100,000	\$5,070.00	N/A	\$6,692.00	N/A	31.99%	N/A	\$1,622.00
110,000	\$5,477.00	N/A	\$7,261.20	N/A	32.58%	N/A	\$1,784.20
120,000	\$5,884.00	N/A	\$7,830.40	N/A	33.08%	N/A	\$1,946.40
130,000	\$6,291.00	N/A	\$8,399.60	N/A	33.52%	N/A	\$2,108.60
140,000	\$6,698.00	N/A	\$8,968.80	N/A	33.90%	N/A	\$2,270.80
150,000	\$7,105.00	N/A	\$9,538.00	N/A	34.24%	N/A	\$2,433.00
160,000	\$7,512.00	N/A	\$10,107.20	N/A	34.55%	N/A	\$2,595.20
170,000	\$7,919.00	N/A	\$10,676.40	N/A	34.82%	N/A	\$2,757.40
180,000	\$8,326.00	N/A	\$11,245.60	N/A	35.07%	N/A	\$2,919.60
190,000	\$8,733.00	N/A	\$11,814.80	N/A	35.29%	N/A	\$3,081.80
200,000	\$9,140.00	N/A	\$12,384.00	N/A	35.49%	N/A	\$3,244.00