

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

October 18, 2024

BY E-FILING

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

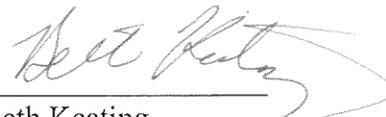
Re: **Docket No. 20240046-GU - Petition for rate increase by St. Joe Natural Gas Company, Inc.**

Dear Mr. Teitzman:

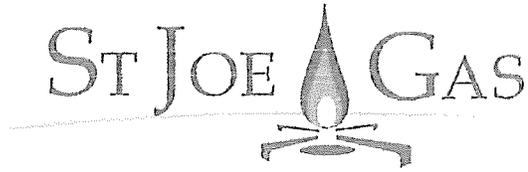
Attached, for electronic filing in the referenced docket on behalf of St. Joe Natural Gas, please find the Company's Responses to Staff's 8th, 9th, and 10th Sets of Data Requests.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706



Serving Florida's Panhandle Since 1963

P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457
tel 850.229.8216 / fax 850.229.8392

www.stjoegas.com

October 18, 2024

Office of the Commission Clerk

Attn: Daniel Dose

Re: Docket No. 20240046-GU – Petition for Rate Increase
SJNG's Response to Staff's Eighth Data Request

1. Please refer to Supplemental MFR Schedule G-3, page 3 of 11, Long-Term Debt Outstanding.

a) Please explain what the Maturity Date in column (3) refers to.

Response: The loan matured December 2023. Company was unable to pay off the loan so the Lenders renewed the loan April 2024 at 8.0% interest.

b) Please explain why the loans listed on lines 1 and 2 are included in the amount of principal outstanding in column (10), line 16, if the loans matured on 12/31/2023.

Response: see answer to a

c) Please explain if the Company is continuing to pay interest on the loans from the Shoaf Family Trust and the Costin Family Trust during the 2024 projected test year.

Response: Yes

d) Please explain how the Company determined the estimated interest rate of 8.50 percent for the Centennial Bank Loans included on lines 3 and 4. Please provide any documents that support the estimated interest rate.

Response: See existing loan document attached that is a Non-Utility loan

2. Please refer to the direct testimony of witness Stitt, Page 12, lines 19 through 22, and the Company's response to Staff's Second Data Request dated September 9, 2024, Number 6. Please provide the loan document indicating the interest rate of 8.50 percent.
Response: Loan document #3750133690

3. Has St. Joe Natural Gas Company revised its estimate of its long-term debt interest rate of 8.50 percent to reflect the Federal Reserve's action on September 18, 2024 to lower the Federal Funds Rate by 50 basis points? If yes, please provide the revised estimate.
Response: SJNG has not revised its estimate of its long-term debt interest rate

4. In reference to Schedule C-13, line 3, can you please provide a breakdown of what is included in other expenses? Please provide any additional documentation to support the expense.
Response: Estimated CPA cost from previous billings – no documentation

5. In reference to Schedule C-13, line 2, can you please provide a breakdown of the cost included in legal service? Please provide any additional documentation to support the expense.
Response: See attachment

6. In reference to MFR Schedule G-2, Page 18 of 31, line 9, can you explain the calculation for the \$19,500 rate case amortization?
Response: That is from a previous filing. The amount was left there by mistake.

7. In reference to MFR Schedule G-2, Page 1, line 10, can you please provide an explanation for the difference of the amounts for taxes other than income stated in the original MFR filing, amount is reflected as \$128,363, and the supplemental MFR filing, amount is reflected as \$170,353?
Response: Gross Receipts tax expense was removed from the calculation because it was not included in Revenue.

AM
24
al Basis

St Joe Gas
Account QuickReport
January through December 2023

Type	Date	Num	Name	Memo	Split	Amount
F-ADMIN & GENERAL						
928 · Regulatory Commission Expenses						
Bill	06/19/2023	756616	GUNSTER	PGA CONSERVATION	2001 · Other A...	2,218.50
Bill	08/21/2023	768278	GUNSTER	REGULATORY REPRESENTATION - RATE FILING	2001 · Other A...	348.00
Bill	09/20/2023	772421	GUNSTER	REGULATORY REPRESENTATION - Rate filing	2001 · Other A...	217.50
Total 928 · Regulatory Commission Expenses						2,784.00
Total F-ADMIN & GENERAL						2,784.00
TOTAL						2,784.00

AM
24
al Basis

St Joe Gas
Account QuickReport
January through December 2024

Type	Date	Num	Name	Memo	Split	Amount
F-ADMIN & GENERAL						
928 · Regulatory Commission Expenses						
Bill	03/15/2024	798541	GUNSTER	LEGAL SERVICES RATE FILING	2001 · Other A...	6,096.50
Bill	04/16/2024	803952	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	3,425.00
Bill	05/16/2024	808318	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	12,398.50
Bill	06/19/2024	813027	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	24,334.59
Bill	07/17/2024	816349	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	6,165.00
Bill	07/17/2024	816348	GUNSTER	LEGAL SERVICES RATE FILING	2001 · Other A...	130.50
Bill	08/19/2024	820982	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	8,768.00
Bill	09/17/2024	824500	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	130.50
Bill	09/17/2024	824501	GUNSTER	LEGAL SERVICES RATE CASE	2001 · Other A...	7,535.00
Total 928 · Regulatory Commission Expenses						<u>68,983.59</u>
Total F-ADMIN & GENERAL						<u>68,983.59</u>
TOTAL						<u><u>68,983.59</u></u>

PROMISSORY NOTE

Scanned by:
QBS
2/24/22

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$248,111.00	02-09-2024	02-09-2029	3750133690	92		***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ST. JOE NATURAL GAS CO., INC.
PO BOX 549
PORT SAINT JOE, FL 32457

Lender: CENTENNIAL BANK
Port St. Joe Branch
202 Marina Drive
Port St Joe, FL 32456

Principal Amount: \$248,111.00

Date of Note: February 9, 2024

PROMISE TO PAY. ST. JOE NATURAL GAS CO., INC. ("Borrower") promises to pay to CENTENNIAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Forty-eight Thousand One Hundred Eleven & 00/100 Dollars (\$248,111.00), together with interest on the unpaid principal balance from February 9, 2024, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 59 payments of \$5,104.24 each payment and an irregular last payment estimated at \$5,103.85. Borrower's first payment is due March 9, 2024, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on February 9, 2029, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; then to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate as published in the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each month. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 8.500% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate equal to the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 8.500% per annum based on a year of 360 days. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this loan, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. **NOTICE:** Under no circumstances will the effective rate of interest on this Note be less than 7.000% per annum or more than the maximum rate allowed by applicable law. Whenever changes occur in the interest rate, Lender, at its option, may do one or more of the following: (A) change Borrower's payments by settling a new payment amount calculated by amortizing the outstanding principal balance at the new interest rate over the remaining term of the loan, (B) increase Borrower's payments to cover accruing interest if the interest rate adjustment is an increase, (C) change the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and change Borrower's final payment amount.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CENTENNIAL BANK, Port St. Joe Branch, 202 Marina Drive, Port St Joe, FL 32456.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$25.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy

PROMISSORY NOTE
(Continued)

Loan No: 3750133690

Page 2

proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Gulf County, State of Florida.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

INTEREST RATE GOVERNING LAW PROVISION. This Note shall be governed by and construed in accordance with the laws of the State where the lender is located and the laws of the United States of America. The maximum interest rate applicable to the loan evidenced by this Note shall be governed by the laws of the United States of America, including 12 U.S.C. Section 1831u.

ELECTRONIC SIGNATURE. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image or other electronic means, shall be effective as delivery of an originally executed counterpart.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: Centennial Bank PO Box 966 Conway, AR 72033.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

ST. JOE NATURAL GAS CO., INC.

By: COPY
CHARLES ANTHONY COSTIN, Vice President of ST.
JOE NATURAL GAS CO., INC.

By: COPY
MARGARET RENEE SHOAF, Director of ST. JOE
NATURAL GAS CO., INC.

By: COPY
STUART L SHOAF, President of ST. JOE NATURAL
GAS CO., INC.

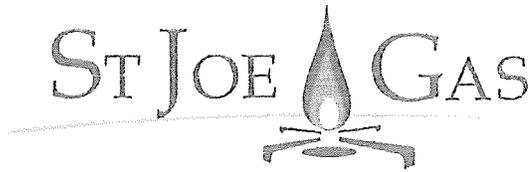
LENDER:

CENTENNIAL BANK

X COPY
Kelli Nicole Combs, Commercial Loan Officer III

Florida Documentary Stamp Tax

Florida documentary stamp tax required by law in the amount of \$868.70 has been paid or will be paid directly to the Department of Revenue. Certificate of Registration No. 5480150842342.



Serving Florida's Panhandle Since 1963

P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457
tel 850.229.8216 / fax 850.229.8392

www.stjoegas.com

October 18, 2024

Office of the Commission Clerk

Attn: Daniel Dose

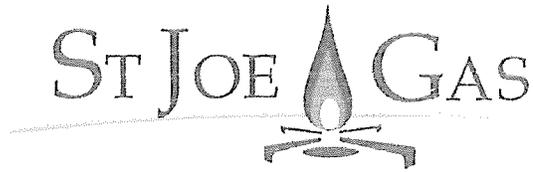
Re: Docket No. 20240046-GU – Petition for Rate Increase
SJNG's Response to Staff's Ninth Data Request

1. In response to Staff's Fifth Data Request, Questions 7 and 8, St. Joe explained that the difference between the projected rate base (\$3,381,787) in the petition and the rate base (\$3,516,497) reflected on Schedule H-3 is that Schedule H-3 did not reflect the removal of the allocation for NG Non-Utility Common Plant. Please state whether St. Joe agrees that Schedule H-3 should also reflect the projected rate base of \$3,381,787 as well as the 6.05 percent rate of return described in the petition.

Response: Yes, SJNG agrees that Schedule H-3 should also reflect the removal of the allocation for NG Non-Utility Common plant.

2. Please explain the increase in the percentage used to calculate overhead costs for miscellaneous service charges in Schedule E-3. How is this percentage (27.85%) calculated?

Response: The percentage 27.85 was derived by taking 2022 Acct#926 Employee benefits - \$159,963 and divide it by the NG employees (less admin) gross payroll of \$574,282.



Serving Florida's Panhandle Since 1963
P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457
tel 850.229.8216 / fax 850.229.8392
www.stjoegas.com

October 18, 2024

Office of the Commission Clerk
Attn: Daniel Dose

Re: Docket No. 20240046-GU – Petition for Rate Increase
SJNG's Response to Staff's Tenth Data Request

1. Please refer to SJNG's October 3, 2024, response to staff's sixth data request. In regards to the replacement trucks:

a) A trade-in vehicle was listed on the purchase of the 2022 F150, last four VIN of 1262. The trade-in was a 2020 Jeep Gladiator. Was the Jeep a vehicle of the regulated Utility? If not, to whom did the Jeep belong and why was it used to purchase a vehicle for the regulated business?

Response: Jeep not regulated vehicle. Jeep belonged to S. Shoaf, President who elected to give up his allowed company vehicle and use his personal vehicle prior to 2022 to help out the utility during a period of its continuous losses. In 2022, company decided to provide a vehicle for its president and used his jeep on the trade-in to purchase a company vehicle.

b) An invoice for 2 additional F150s was also submitted for the total of \$95,475.40. Were both of these vehicles purchased for the regulated utility?

Response: Yes, the 2 additional F150's were for the regulated utility.

c) Please provide a list of all vehicles for the regulated utility, their purchase price (including any upgrades), and a list of who is assigned to each vehicle.

Response: See attachment

2. Please refer to SJNG's September 23, 2024, response to staff's fourth data request question two "b", What is the allocation between the different industries for director fees?
Response: There is no allocation for the different industries for director fees

3. How many employees does St. Joe Natural Gas Company currently employ and does it intend to hire anymore?

Response: The total number of employees employed by SJNG is 40 but only 13 are actually Natural Gas employees. Yes, we are always open to hiring new employees.

ATTACHMENT AA

SJ Gas

Docket No. 20240046-GU

Request No. 47

1.

2.

Type	VIN #	Driver	Use	Cost
Ford 150	1FTFX1EF2FKE87272	Manager	Nat	\$51,123
Ford 150	1FTFW1E51NFB36905	Manager	Nat	\$87,280
Ford 250	1FDBF2A69KEC84476	Tech	Nat	\$49,404
Ford 150	1FTMF1C55LKE85306	Tech	Nat	\$38,014
Ford 150	1FTMF1C52CMKE45105	Tech	Nat	\$48,556
Ford 150	1FTMF1E52KKE56115	Tech	Nat	\$49,924
Ford 150	1FTFW1E56NFC41262	Manager	Nat	\$85,520
Ford 150	1FTMF1E57PKE01201	Tech	Nat	\$58,176
Ford 150	1FTMF1E50PKE01170	Tech	Nat	\$58,176

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing filing has been served by E-Mail this 18th day of October, 2024, upon the following:

Walter Trierweiler, Charles Rehwinkel, Patricia Christensen, Mary Wessling, Octavio Ponce, Austin Watrous
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400
Trierweiler.walt@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us
Christensen.patty@leg.state.fl.us
Ponce.octavio@leg.state.fl.us
Watrous.austin@leg.state.fl.us

Daniel Dose
Saed Farooqi
Jennifer Crawford
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
ddose@psc.state.fl.us
sfarooqi@leg.state.fl.us
jcrawfor@leg.state.fl.us

By: 
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706