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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457

Tel. 850.229.8216 / fax 850.229.8392

[www.stjoegas.com](http://www.stjoegas.com)

August 27, 2019

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

Re: Earnings Surveillance Report Ending June 30, 2019

Please find enclosed the Earnings Surveillance Report for the twelve months ending June 30, 2019.

Sincerely,

Debbie Stitt  
Regulatory Analyst

FLORIDA PUBLIC SERVICE  
OCT 15 2019  
2019 AUG 30 AM 8:52

**ST. JOE NATURAL GAS COMPANY  
EARNINGS SURVEILLANCE REPORT SUMMARY  
June 30, 2019**

SCHEDULE 1


I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	ACTUAL (1)	FPSC ADJUSTMENTS (2)	FPSC ADJUSTED (3)	PRO FORMA ADJUSTMENTS (4)	PRO FORMA ADJUSTED (5)
AVERAGE RATE BASE	\$ -330,264	\$ -2,251,531	\$ -330,264	\$	\$
AVERAGE RATE OF RETURN	\$ 5,150,166	\$ 2,898,635	\$	\$	\$
	-6.41%	-11.39%			%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ 5,025,528	\$ -2,123,768	\$ 2,901,760		

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
	LOW	MIDPOINT	HIGH	A. INCLUDING FLEX RATE REVENUES	B. EXCLUDING FLEX RATE REVENUES
	4.96 %	5.40 %	5.84 %	-1.54%	-1.54%

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 or 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)

8-26-19 (Date)





**ST. JOE NATURAL GAS COMPANY**  
**YEAR END RATE BASE**  
**JUNE 30, 2019**

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE NET	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	UTILITY PLANT NET	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	9,821,530	6,011,940	3,809,590		267,306	4,076,896	948,633	5,025,529

**FPSC ADJUSTMENTS:**

PRO-RATA NON-UTILITY	-1,962,014	-665,797	-1,296,217		-81,930	-1,378,147	-633,982	-2,012,129
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TOTAL FPSC ADJUSTMENTS	-1,962,014	-665,797	-1,296,217		-81,930	-1,378,147	-745,622	-2,123,769
FPSC ADJUSTED	7,859,516	5,346,143	2,513,373		185,376	2,698,749	203,011	2,901,760

ST. JOE NATURAL GAS COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 JUNE 30, 2019

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		596,924	-346,825	-7,167	242,932	8.38%	6.50	0.54	6.50	0.54	6.50	0.54	
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	0.95%	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER DEPOSITS		64,638	-37,556	-776	26,306	0.91%	2.00	0.02	2.00	0.02	2.00	0.02	
COMMON EQUITY		3,135,111	-1,821,562	-37,644	1,275,904	44.02%	10.00	4.40	11.00	4.84	12.00	5.28	
DEFERRED INCOME TAXES		703,818			703,818	24.28%	0.00	0.00	0.00	0.00	0.00	0.00	
OTHER DEFERRED CREDITS - FC		611,077			611,077	21.08%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS		11,196			11,196	0.39%	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>5,150,166</b>	<b>-2,205,943</b>	<b>-45,588</b>	<b>2,898,635</b>	<b>100.00%</b>		<b>4.96</b>		<b>5.40</b>		<b>5.84</b>	
LONG TERM DEBT	YEAR END	PER BOOKS	ADJUSTMENTS	PRO RATA	ADJUSTED	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MIDPOINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)	
SHORT TERM DEBT		720,000	-380,917	-21,135	317,948	10.96%	6.50	0.71	6.50	0.71	6.50	0.71	
OTHER DEFERRED CREDITS - GC		0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00	
CUSTOMER DEPOSITS		27,402			27,402	0.94%	0.00	0.00	0.00	0.00	0.00	0.00	
COMMON EQUITY		56,459	-29,870	-1,657	24,932	0.86%	2.00	0.02	2.00	0.02	2.00	0.02	
DEFERRED INCOME TAXES		3,026,819	-1,601,342	-88,848	1,336,628	46.06%	10.00	4.61	11.00	5.07	12.00	5.53	
OTHER DEFERRED CREDITS - FC		598,592			598,592	20.63%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS		585,616			585,616	20.18%	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER ADVANCES FOR CONSTRUCTION		10,641			10,641	0.37%	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>		<b>5,025,529</b>	<b>-2,012,129</b>	<b>-111,640</b>	<b>2,901,760</b>	<b>100.00%</b>		<b>5.34</b>		<b>5.80</b>		<b>6.26</b>	

**ST. JOE NATURAL GAS COMPANY, INC.**  
**EARNED RETURN ON COMMON EQUITY**  
**FPSC ADJUSTED BASIS**  
**June 30, 2019**

**SCHEDULE 5**

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	-0.11	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00 %	
LONG TERM DEBT	-0.54 %	
CUSTOMER DEPOSITS	-0.02 %	
OTHER DEFERRED CREDITS	0.00 %	
SUBTOTAL	-0.56 %	
TOTAL	-0.68 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	44.02 %	
JURISDICTIONAL RETURN ON COMMON EQUITY	-1.54%	

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 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 EQUITY		%