

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by St. Joe
Natural Gas Company, Inc.

DOCKET NO. 070592-GU
ORDER NO. PSC-08-0135-PCO-GU
ISSUED: March 3, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER SUSPENDING RATE INCREASE
AND SETTING INTERIM RATES

BY THE COMMISSION:

BACKGROUND

This proceeding commenced on December 21, 2007, with the filing of a petition for a permanent rate increase by St. Joe Natural Gas Company, Inc. (SJNG or Company). SJNG requested an increase in its retail rates and charges to generate \$627,026 in additional gross annual revenues. This increase would allow the Company to earn an overall rate of return of 6.17 percent or a 11.50 percent return on equity (range 10.50 percent to 12.50 percent). The Company based its request on a projected test year ending December 31, 2008. SJNG stated that this test year is the appropriate period to use because it represents the conditions to be faced by the Company, and is representative of the customer base, investment requirements, throughput levels, and overall cost of service to be realized under the new rates. Per Rule 25-7.140(1)(d), Florida Administrative Code (F.A.C.), SJNG has elected to use the five month Proposed Agency Action process authorized in Section 366.06(4), Florida Statutes (F.S.).

In its original filing, SJNG also requested an interim rate increase in its retail rates and charges to generate \$274,981 in additional gross annual revenues. This increase would allow the Company to earn an overall rate of return of 6.75 percent or an 11.50 percent return on equity, which is the midpoint of the currently authorized range of 10.50 percent to 12.50 percent. The Company based its interim request on a historical test year ended December 31, 2006.

Subsequent to the submission of the minimum filing requirements (MFRs), it was discovered that certain interim MFR schedules, which are electronically linked to historical data in the MFRs, were not automatically updated to reflect the Company's final inputs. The affected interim schedules relate to rate base, capital structure, and the calculation of the interim increase. The Company provided the corrected schedules showing the calculated interim increase to be \$229,785 rather than the originally requested amount of \$274,981. The \$229,785 increase would

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allow the Company to earn an overall rate of return of 6.39 percent or an 11.50 percent return on equity.

We granted SJNG a \$327,149 rate increase by Order No. PSC-01-1274-PAA-GU, issued June 8, 2001, in Docket No. 001447-GU, In re: Request for rate increase by St. Joe Natural Gas Company, Inc. In that order, we found the Company's jurisdictional rate base to be \$4,061,937 for the projected test year ended December 31, 2001. We found the allowed rate of return to be 5.96 percent for the test year using an 11.50 percent return on equity.

This Order addresses the suspension of the requested permanent rate increase and our consideration of the requested interim rate increase. We have jurisdiction pursuant to Sections 366.06(2) and (4), and 366.071, F.S.

DECISION

Suspension

SJNG filed its petition, testimony, and minimum filing requirements on December 21, 2007. The Company has requested a total permanent base rate increase of \$627,026 based on a projected test year ending December 31, 2008.

Historically, especially when a projected test year has been involved, we have suspended the requested permanent rate schedules in order to adequately and thoroughly examine the basis for the new rates. The suspension of the rate increase is authorized by Section 366.06(3), F.S., which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

Because SJNG's requested permanent rate relief is based on a projected test year, the requested permanent rate schedules shall be suspended to allow sufficient time to adequately investigate whether the request for permanent rate relief is appropriate. It should be noted that this rate case is being processed under the five month Proposed Agency Action process authorized in Section 366.06(4), F.S.

Interim Rates

Rate Base

In its filing, the Company proposed an interim test year thirteen month average rate base of \$3,330,861 for the period ended December 31, 2006. As discussed above, the interim rate base MFR schedules were not updated automatically for the Company's final inputs. With the incorporation of the Company's final inputs, the resulting 2006 historical test year rate base is

\$3,077,180 for interim purposes. Adjustment 4 on Attachment A shows the \$253,681 of adjustments necessary to update the interim rate base on MFR Schedule F-1 to reflect the updated test year on MFR Schedule B-2.

The MFR Schedule B-2 rate base adjustments made in the current filing has been reviewed for consistency with the findings made in the Company's last rate case order. It appears that SJNG has made the applicable and appropriate adjustments that are consistent with the previous rate case. Therefore, we find that \$3,077,180 is the appropriate amount of rate base for the 2006 interim test year. The calculation is shown on Attachment A.

It should be noted that 2006 is also the historical base year used to develop the 2008 projected test year for the requested permanent base rate increase. The 2006 historical test year data is currently being audited as part of the normal ratemaking review process in this docket.

Return on Equity

As discussed above, SJNG provided updated schedules related to its request for an interim rate increase. The updated schedules reflect an overall cost of capital of 6.39 percent, instead of the 6.75 percent reflected in the Company's original filing.

SJNG's authorized return on equity (ROE) is 11.50 percent, with a range of plus or minus 100 basis points. This Commission set the return and range by Order No. PSC-01-1274-PAA-GU. As required by Section 366.071(5)(b)3, F.S., the applicable ROE for purposes of an interim increase is the minimum of the range of return as authorized in the company's last rate proceeding. In its interim request, SJNG inadvertently used 11.50 percent, which is the mid-point of the range of its last authorized return on equity. We find that SJNG's appropriate ROE for interim purposes is 10.50 percent.

Section 366.071(5)(b)1, F.S., requires a company requesting an interim increase to make all adjustments consistent with those made in the most recent rate proceeding. We determined in Order No. PSC-01-1274-PAA-GU that the appropriate capital structure should consist of no more than 60.00 percent equity as a percentage of investor sources of capital. In its interim request, SJNG used a capital structure that contained an equity ratio of 88.80 percent. We made a specific adjustment to SJNG's capital structure to attain the required equity ratio of 60.00 percent.

SJNG appropriately used a 6.00 percent cost rate for customer deposits, which is based on our Rule 25-7.083(5)(a), F.A.C. The Company included long-term debt and short-term debt in its capital structure, with applicable cost rates of 8.75 percent and 8.00 percent, respectively. Using a 10.50 percent cost of equity and the adjusted capital structure discussed above, the overall weighted average cost of capital for interim purposes has been calculated to be 5.60 percent. A schedule of the interim capital structure is included in Attachment B.

Thus, the appropriate return on equity and overall cost of capital are 10.50 percent and 5.60 percent, respectively.

Net Operating Income

The proposed interim test year net operating income of \$54,079 is the twelve month amount for the year ended December 31, 2006. We have reviewed the net operating income adjustments made in the current interim filing for consistency with the findings made in the Company's last rate case. Based on that review, it appears that SJNG has not made all of the applicable and appropriate adjustments that are consistent with the previous rate case. The following adjustments shall be made:

Adjustment 1: Gross Receipts Tax – Although the gross receipts tax is applicable to all of the Company's customers, it is billed as a separate line item on the customers' bills. Therefore, neither the revenues nor the expenses related to the gross receipts tax shall be included in the income statement for ratemaking purposes. Both operating revenues and taxes other than income should be reduced by \$44,428. Since these amounts offset each other, there is no effect on the amount of net operating income.

Adjustment 2: Regulatory Assessment Fee – The regulatory assessment fee (RAF) revenue and expense related to non-cost recovery clause revenues are included in base rates for ratemaking purposes. The Company inappropriately removed all RAF revenue from its interim test year operating revenues. To correct this error, operating revenues shall be increased by \$6,030. After taxes, the effect on net operating income is an increase of \$3,761 (\$6,030 - \$2,269). Because SJNG did not remove the non-cost recovery clause RAF expense from taxes other than income, no further adjustment is necessary.

Adjustment 3: Interest Synchronization – This adjustment is necessary to match the interest expense inherent in the capital structure with the interest expense used to calculate the income tax expense included in the income statement. We have made a \$503,100 adjustment to increase the amount of long term debt to adjust the equity ratio. This results in a \$44,021 increase in the interest expense deduction for income tax purposes. Therefore, we find that income tax expense shall be reduced by \$16,565 ($\$44,021 \times 37.60\%$) as shown on Attachment B.

After considering these three adjustments, the appropriate amount of net operating income for the 2006 interim test year is \$74,410. The calculation is shown on Attachment A.

As we explained above, 2006 is also the historical base year used to develop the 2008 projected test year for the requested permanent base rate increase. The 2006 historical test year data is currently being audited as part of the normal ratemaking review process in this docket.

Net Operating Income Multiplier

On MFR Schedule F-6, the Company calculated a net operating income multiplier of 1.6114 using a 34 percent federal income tax rate and a 5.5 percent state income tax rate. Additionally, the Company applied a .5 percent factor for regulatory assessment fees. We have reviewed the Company's calculation of the net operating income multiplier and find that no adjustments are necessary. We find that 1.6114 is the appropriate net operating income multiplier. The calculation is shown below.

<u>Line</u>	<u>Description</u>	
1	Revenue Requirement	100.000%
2	Gross Receipts Tax	0.000%
3	Regulatory Assessment Fee	(0.500)%
4	Bad Debt Rate	<u>0.000%</u>
5	Net Before Income Taxes	99.500%
6	Combined State/Federal Income Tax @ 37.63%	<u>(37.442)%</u>
7	Revenue Expansion Factor	<u>62.058%</u>
8	Net Operating Income Multiplier	<u>1.6114</u>

Interim Rate Increase and Percentage Increase Factor

SJNG requested interim rate relief of \$274,981 for the historical test year ended December 31, 2006. This would allow the Company to earn an overall rate of return of 6.75 percent and the midpoint of the range on return on equity of 11.50 percent. As discussed above, this calculation was affected by the MFR schedules that were not updated for the latest revisions to the 2006 historical test year. The effect of SJNG's revisions results in a recalculated interim increase amount of \$229,785. This would allow the Company to earn an overall rate of return of 6.39 percent and the midpoint of the range of return on equity of 11.50 percent.

The adjustments we have made to SJNG's rate base, capital structure, and net operating income affect the calculation of the interim increase to be granted in this docket. The calculation of the approved \$157,775 interim rate relief and the 15.12 percent increase factor is shown below. This will allow the Company to earn an overall rate of return of 5.60 percent and a 10.50 percent return on equity, the minimum of the range. After a determination of the permanent rate increase has been made, we will review the interim rate increase to determine if any portion should be refunded to the ratepayers.

Jurisdictional Adjusted Rate Base	\$3,077,180
Adjusted Overall Rate of Return	x <u>5.60%</u>
Jurisdictional Adjusted Revenue Requirement	\$172,322
Jurisdictional Adjusted Net Operating Income	<u>(74,410)</u>
Income Deficiency/(Excess)	\$97,912

Net Operating Income Multiplier	x <u>1.6114</u>
Interim Revenue Increase/(Decrease)	\$157,775
Base Rate Revenues	-:- <u>1,043,735</u>
Percentage Increase Factor	<u>15.12%</u>

Based on the above discussion we grant SJNG an interim rate increase of \$157,775, with a percentage increase factor of 15.12 percent.

As shown on Attachments C and D, we have determined the cents-per-therm increases to be applied to each rate class based on an interim increase of \$157,775. We calculated the increases using the methodology contained in our Rule 25-7.040, F.A.C., which requires that any increase be applied evenly to all rate classes based on their base rate revenues. Attachment E contains monthly bill amounts for each rate class comparing the present rates with the interim rates. We find that these amounts are appropriate, and they shall be recovered on a cents-per-therm basis.

The interim rates shall be effective for all meter readings made on or after thirty days from the date of our vote approving the interim increase. The Company shall give notice to customers of the interim increase commencing with the first bill for service that reflects the increase, explaining the nature, purpose, and effect of the increase. A copy of the notice shall be submitted to our staff for approval prior to its use.

Interim Rates Subject to Refund

SJNG has requested that all funds collected subject to refund be secured by a corporate undertaking. The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. We reviewed the SJNG's 2004, 2005, and 2006 financial statements to determine if the Company's financial condition can support a corporate undertaking. SJNG experienced a net loss in 2004. However, SJNG's average equity ratio over the three-year period has been 85 percent. Also, SJNG's profitability and interest coverage have improved over the most recent three-year period. SJNG's financial performance has demonstrated adequate levels of ownership equity, liquidity, and interest coverage measures to offset the low net income relative to the amount proposed to be collected subject to refund.

Considering SJNG's financial condition, we find that the Company can support a corporate undertaking in the amount of \$52,592. This amount represents four months of revenue that SJNG will collect during the interim period. This treatment complies with Section 366.071(2)(a) and (c), F.S. This brief financial analysis is only appropriate for deciding if the Company can support a corporate undertaking in the amount requested and shall not be considered a finding regarding other issues in this proceeding. Interim rates are subject to refund with interest, pending the final order in the permanent rate relief request.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that St. Joe Natural Gas Company, Inc.'s requested permanent rate increase is suspended pending further review. It is further

ORDERED that St. Joe Natural Gas Company, Inc.'s request to charge interim rates is granted, as described in the body of this Order. It is further


ORDERED that the revenues shall be collected subject to refund with interest. It is further

ORDERED that all funds collected subject to refund shall be secured by a corporate undertaking of \$52,592. It is further

ORDERED that St. Joe Natural Gas Company, Inc. shall provide notice of the interim rate increase to customers as prescribed in the body of this Order. It is further

ORDERED that this docket shall remain open pending final resolution of St. Joe Natural Gas Company, Inc.'s requested permanent rate increase.

By ORDER of the Florida Public Service Commission this 3rd day of March, 2008.



ANN COLE
Commission Clerk

(S E A L)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

ST. JOE NATURAL GAS COMPANY, INC.
DOCKET NO. 070592-GU
INTERIM TEST YEAR
DECEMBER 31, 2006

	As Filed by Company	Adjustment 1 Gross Receipts Tax	Adjustment 2 Regulatory Assessment Fee	Adjustment 3 Interest Synchronization	Adjustment 4 Test Year Updates	Total Adjustments	Total Adjusted Rate Base
<u>RATE BASE</u>							
Plant in Service	\$6,155,759					\$0	\$6,155,759
Common Plant Allocated	(58,035)					0	(58,035)
Customer Advances for Construction	(60,788)					0	(60,788)
Accumulated Depreciation	(3,030,494)				24,713	24,713	(3,005,781)
Net Plant in Service	3,006,442	0	0	0	24,713	24,713	3,031,155
Property Held for Future Use	0					0	0
Construction Work in Progress	31,131					0	31,131
Net Utility Plant	3,037,573	0	0	0	24,713	24,713	3,062,286
Working Capital	293,288				(278,394)	(278,394)	14,894
Total Rate Base	\$3,330,861	\$0	\$0	\$0	(\$253,681)	(\$253,681)	\$3,077,180
<u>INCOME STATEMENT</u>							
Operating Revenues	\$1,146,191	(44,428)	6,030		0	(38,398)	\$1,107,793
Operating Expenses:							
Operation & Maintenance - Gas	25,823					0	25,823
Operation & Maintenance - Other	709,215					0	709,215
Depreciation & Amortization	222,854					0	222,854
Taxes Other Than Income	101,601	(44,428)				(44,428)	57,173
Income Taxes - Current	32,614		2,269	(16,565)		(14,296)	18,318
Deferred Income Taxes (Net)	0					0	0
Investment Tax Credit (Net)	0					0	0
(Gain)/Loss on Disposition	0					0	0
Total Operating Expenses	1,092,107	(44,428)	2,269	(16,565)	0	(58,724)	1,033,383
Net Operating Income	\$54,084	\$0	\$3,761	\$16,565	\$0	\$20,326	\$74,410
OVERALL RATE OF RETURN	1.62%					0.79%	2.42%
RETURN ON EQUITY	1.87%					-0.70%	1.17%

ST. JOE NATURAL GAS COMPANY, INC.
DOCKET NO. 070592-GU
INTERIM TEST YEAR
DECEMBER 31, 2006

CAPITAL STRUCTURE

AS FILED BY COMPANY

	<u>Amount</u>	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	\$107,156	3.22%	8.75%	0.28%
Short Term Debt	116,420	3.50%	8.00%	0.28%
Preferred Stock	0	0.00%	0.00%	0.00%
Customer Deposits	36,260	1.09%	6.00%	0.07%
Common Equity	1,772,709	53.22%	11.50%	6.12%
Deferred Income Taxes	23,311	0.70%	0.00%	0.00%
Deferred Credits - FCPC	1,275,004	38.28%	0.00%	0.00%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.00%
Regulatory Asset/Liability 109	0	0.00%	0.00%	0.00%
Total	\$3,330,860	100.00%		6.75%

Equity Ratio 88.80%

COMMISSION ADJUSTED

	<u>Amount</u>	<u>Adjustments</u>		<u>Adjusted Total</u>	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
		<u>Specific</u>	<u>Pro Rata</u>				
Long Term Debt	\$107,156	\$503,100	(\$13,374)	\$596,882	19.40%	8.75%	1.70%
Short Term Debt	116,420		(14,530)	101,890	3.31%	8.00%	0.26%
Preferred Stock	0			0	0.00%	0.00%	0.00%
Customer Deposits	36,260		(4,525)	31,735	1.03%	6.00%	0.06%
Common Equity	1,772,709	(503,100)	(221,251)	1,048,358	34.07%	10.50%	3.58%
Deferred Income Taxes	23,311			23,311	0.76%	0.00%	0.00%
Deferred Credits - FCPC	1,275,004			1,275,004	41.43%	0.00%	0.00%
Tax Credits - Zero Cost	0			0	0.00%	0.00%	0.00%
Regulatory Asset/Liability 109	0			0	0.00%	0.00%	0.00%
Total	\$3,330,860	\$0	(\$253,680)	\$3,077,180	100.00%		5.60%

Equity Ratio 88.80% 60.00%

INTEREST SYNCHRONIZATION

	<u>Adjustments</u>	<u>Cost Rate</u>	<u>Effect on Interest Exp.</u>	<u>Tax Rate</u>	<u>Effect on Income Taxes</u>
Long Term Debt	\$503,100	8.75%	\$44,021	37.630%	(\$16,565)
Short Term Debt	0	8.00%	0	37.630%	0
Customer Deposits	0	6.00%	0	37.630%	0
Total	\$503,100		\$44,021		(\$16,565)

ST. JOE NATURAL GAS COMPANY, INC.
 ALLOCATION OF INTERIM RATE INCREASE
 DOCKET NO. 070592-GU

ATTACHMENT C

		PRESENT BASE RATE REVENUE				INTERIM INCREASE			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
RATE CODE	RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	ENERGY CHARGE	(4) + (5) TOTAL BASE REVENUE	(6)X(8) INTERIM INCREASE	(7) / (6) %	(7) / (3) * 100 INCREASE IN CENTS PER THERM
GS-1	RESIDENTIAL	34,620	738,876	\$311,580	\$281,408	\$592,988	\$89,638	15.12%	12.132
GS-2	GENERAL SERVICE	2,553	93,221	\$22,977	\$35,504	\$58,481	\$8,840	15.12%	9.483
GS-3	GENERAL SERVICE	452	213,576	\$18,080	\$44,135	\$62,215	\$9,405	15.12%	4.403
TS-5	TRANSPORTATION SERVICE	12	430,898	\$12,000	\$34,864	\$46,864	\$7,084	15.12%	1.644
TS-6	TRANSPORTATION SERVICE	36	6,724,310	\$36,000	\$247,186	\$283,186	\$42,807	15.12%	0.637
TOTAL		<u>37,673</u>	<u>8,200,881</u>	<u>\$400,637</u>	<u>\$643,098</u>	<u>\$1,043,735</u>	<u>\$157,775</u>	<u>15.12%</u>	

**ST. JOE NATURAL GAS COMPANY, INC.
 PRESENT AND COMMISSION APPROVED INTERIM RATES
 DOCKET NO. 070592-GU**

ATTACHMENT D

RATE CODE	RATE SCHEDULE	PRESENT RATE	COMMISSION APPROVED INTERIM INCREASE	COMMISSION APPROVED INTERIM RATE
GS-1	<u>RESIDENTIAL</u>			
	CUSTOMER CHARGE	\$9.00	N/A	\$9.00
	ENERGY CHARGE (cents/therm)	38.086	12.132	50.218
GS-2	<u>GENERAL SERVICE 2</u>			
	CUSTOMER CHARGE	\$9.00	N/A	\$9.00
	ENERGY CHARGE (cents/therm)	38.086	9.483	47.569
GS-3	<u>GENERAL SERVICE 3</u>			
	CUSTOMER CHARGE	\$40.00	N/A	\$40.00
	ENERGY CHARGE (cents/therm)	20.665	4.403	25.068
TS-5	<u>TRANSPORTATION SERVICE 5</u>			
	CUSTOMER CHARGE	\$1,000	N/A	\$1,000
	ENERGY CHARGE (cents/therm)	8.091	1.644	9.735
TS-6	<u>TRANSPORTATION SERVICE 6</u>			
	CUSTOMER CHARGE	\$1,000	N/A	\$1,000
	ENERGY CHARGE (cents/therm)	3.676	0.637	4.313

ST. JOE NATURAL GAS COMPANY, INC.
 BILL COMPARISONS - PRESENT VS. APPROVED INTERIM RATES
 DOCKET NO. 070592-GU

ATTACHMENT E
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RESIDENTIAL
 (Residential Usage)

Average Usage: 22 therms per month

PRESENT RATES

INTERIM RATES

Customer Charge
 \$9.00

Customer Charge
 \$9.00

Energy Charge
 (Cents
per Therm)
 38.086

Energy Charge
 (Cents
per Therm)
 50.218

Gas Cost Cents/Therm: 87.871

Therm Usage Increment: 2

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Approved Interim Monthly Bill w/o Fuel	Approved Interim Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
2	\$9.76	\$11.52	\$10.00	\$11.76	2.49%	2.11%	\$0.24
4	\$10.52	\$14.04	\$11.01	\$14.52	4.61%	3.46%	\$0.49
6	\$11.29	\$16.56	\$12.01	\$17.29	6.45%	4.40%	\$0.73
8	\$12.05	\$19.08	\$13.02	\$20.05	8.06%	5.09%	\$0.97
10	\$12.81	\$21.60	\$14.02	\$22.81	9.47%	5.62%	\$1.21
12	\$13.57	\$24.11	\$15.03	\$25.57	10.73%	6.04%	\$1.46
14	\$14.33	\$26.63	\$16.03	\$28.33	11.85%	6.38%	\$1.70
16	\$15.09	\$29.15	\$17.03	\$31.09	12.86%	6.66%	\$1.94
18	\$15.86	\$31.67	\$18.04	\$33.86	13.77%	6.89%	\$2.18
20	\$16.62	\$34.19	\$19.04	\$36.62	14.60%	7.10%	\$2.43
22	\$17.38	\$36.71	\$20.05	\$39.38	15.36%	7.27%	\$2.67
24	\$18.14	\$39.23	\$21.05	\$42.14	16.05%	7.42%	\$2.91
26	\$18.90	\$41.75	\$22.06	\$44.90	16.69%	7.56%	\$3.15
28	\$19.66	\$44.27	\$23.06	\$47.66	17.27%	7.67%	\$3.40
30	\$20.43	\$46.79	\$24.07	\$50.43	17.82%	7.78%	\$3.64

- Bills do not include conservation cost recovery charges, local taxes, franchise fees, or gross receipts taxes.
- Gas cost effective January 2008.

ST. JOE NATURAL GAS COMPANY, INC.
BILL COMPARISONS - PRESENT VS. APPROVED INTERIM RATES
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ATTACHMENT E
Page 2 of 5

GENERAL SERVICE 2
 (Commercial usage - sales service)
 Average Usage: 37 therms per month

PRESENT RATES

Customer Charge
\$9.00

Energy Charge
(Cents
per Therm)
38.086

INTERIM RATES

Customer Charge
\$9.00

Energy Charge
(Cents
per Therm)
47.569

Gas Cost Cents/Therm: 87.871

Therm Usage Increment: 20

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Approved Interim Monthly Bill w/o Fuel	Approved Interim Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$9.00	\$9.00	\$9.00	\$9.00	0.00%	0.00%	\$0.00
20	\$16.62	\$34.19	\$18.51	\$36.09	11.41%	5.55%	\$1.90
40	\$24.23	\$59.38	\$28.03	\$63.18	15.65%	6.39%	\$3.79
60	\$31.85	\$84.57	\$37.54	\$90.26	17.86%	6.73%	\$5.69
80	\$39.47	\$109.77	\$47.06	\$117.35	19.22%	6.91%	\$7.59
100	\$47.09	\$134.96	\$56.57	\$144.44	20.14%	7.03%	\$9.48
120	\$54.70	\$160.15	\$66.08	\$171.53	20.80%	7.11%	\$11.38
140	\$62.32	\$185.34	\$75.60	\$198.62	21.30%	7.16%	\$13.28
160	\$69.94	\$210.53	\$85.11	\$225.70	21.69%	7.21%	\$15.17
180	\$77.55	\$235.72	\$94.62	\$252.79	22.01%	7.24%	\$17.07
200	\$85.17	\$260.91	\$104.14	\$279.88	22.27%	7.27%	\$18.97

- Bills do not include conservation cost recovery charges, local taxes, franchise fees, or gross receipts taxes.
- Gas cost effective January 2008.

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GENERAL SERVICE 3
 (Commercial or industrial usage - sales service)
 Average Usage: 518 therms per month

PRESENT RATES

Customer Charge
\$40.00

Energy Charge
(Cents
per Therm)
20.665

INTERIM RATES

Customer Charge
\$40.00

Energy Charge
(Cents
per Therm)
25.068

Gas Cost Cents/Therm: 87.871

Therm Usage Increment: 175

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Approved Interim Monthly Bill w/o Fuel	Approved Interim Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$40.00	\$40.00	\$40.00	\$40.00	0.00%	0.00%	\$0.00
175	\$76.16	\$229.94	\$83.87	\$237.64	10.12%	3.35%	\$7.71
350	\$112.33	\$419.88	\$127.74	\$435.29	13.72%	3.67%	\$15.41
525	\$148.49	\$609.81	\$171.61	\$632.93	15.57%	3.79%	\$23.12
700	\$184.66	\$799.75	\$215.48	\$830.57	16.69%	3.85%	\$30.82
875	\$220.82	\$989.69	\$259.35	\$1,028.22	17.45%	3.89%	\$38.53
1,050	\$256.98	\$1,179.63	\$303.21	\$1,225.86	17.99%	3.92%	\$46.23
1,225	\$293.15	\$1,369.57	\$347.08	\$1,423.50	18.40%	3.94%	\$53.94
1,400	\$329.31	\$1,559.50	\$390.95	\$1,621.15	18.72%	3.95%	\$61.64
1,575	\$365.47	\$1,749.44	\$434.82	\$1,818.79	18.97%	3.96%	\$69.35
1,750	\$401.64	\$1,939.38	\$478.69	\$2,016.43	19.18%	3.97%	\$77.05

- Bills do not include conservation cost recovery charges, local taxes, franchise fees, or gross receipts taxes.
- Gas cost effective January 2008.

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TRANSPORTATION SERVICE 5

(Usage greater than 150,000 therms per year - transportation service)

Average Usage: 34,008 therms per month

PRESENT RATES

INTERIM RATES

Customer Charge

\$1,000.00

Customer Charge

\$1,000.00

Transport Charge

(Cents

per Therm)

8.091

Transport Charge

(Cents

per Therm)

9.735

Gas Cost Cents/Therm: n/a

Therm Usage Increment: 10,000

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Approved Interim Monthly Bill w/o Fuel	Approved Interim Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$1,000.00	N/A	\$1,000.00	N/A	0.00%	N/A	\$0.00
10,000	\$1,809.10	N/A	\$1,973.50	N/A	9.09%	N/A	\$164.40
20,000	\$2,618.20	N/A	\$2,947.00	N/A	12.56%	N/A	\$328.80
30,000	\$3,427.30	N/A	\$3,920.50	N/A	14.39%	N/A	\$493.20
40,000	\$4,236.40	N/A	\$4,894.00	N/A	15.52%	N/A	\$657.60
50,000	\$5,045.50	N/A	\$5,867.50	N/A	16.29%	N/A	\$822.00
60,000	\$5,854.60	N/A	\$6,841.00	N/A	16.85%	N/A	\$986.40
70,000	\$6,663.70	N/A	\$7,814.50	N/A	17.27%	N/A	\$1,150.80
80,000	\$7,472.80	N/A	\$8,788.00	N/A	17.60%	N/A	\$1,315.20
90,000	\$8,281.90	N/A	\$9,761.50	N/A	17.87%	N/A	\$1,479.60
100,000	\$9,091.00	N/A	\$10,735.00	N/A	18.08%	N/A	\$1,644.00

- Bills do not include conservation cost recovery charges, local taxes, franchise fees, or gross receipts taxes.

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TRANSPORTATION SERVICE 6
 (Usage greater than 500,000 therms per year - transportation service)
 Average Usage: 138,333 therms per month

PRESENT RATES

Customer Charge
\$1,000.00

Transport Charge
(Cents
per Therm)
3.676

INTERIM RATES

Customer Charge
\$1,000.00

Transport Charge
(Cents
per Therm)
4.313

Gas Cost Cents/Therm: N/A **Therm Usage Increment: 50,000**

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Approved Interim Monthly Bill w/o Fuel	Approved Interim Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
0	\$1,000.00	N/A	\$1,000.00	N/A	0.00%	N/A	\$0.00
50,000	\$2,838.00	N/A	\$3,156.50	N/A	11.22%	N/A	\$318.50
100,000	\$4,676.00	N/A	\$5,313.00	N/A	13.62%	N/A	\$637.00
150,000	\$6,514.00	N/A	\$7,469.50	N/A	14.67%	N/A	\$955.50
200,000	\$8,352.00	N/A	\$9,626.00	N/A	15.25%	N/A	\$1,274.00
250,000	\$10,190.00	N/A	\$11,782.50	N/A	15.63%	N/A	\$1,592.50
300,000	\$12,028.00	N/A	\$13,939.00	N/A	15.89%	N/A	\$1,911.00
350,000	\$13,866.00	N/A	\$16,095.50	N/A	16.08%	N/A	\$2,229.50
400,000	\$15,704.00	N/A	\$18,252.00	N/A	16.23%	N/A	\$2,548.00
450,000	\$17,542.00	N/A	\$20,408.50	N/A	16.34%	N/A	\$2,866.50
500,000	\$19,380.00	N/A	\$22,565.00	N/A	16.43%	N/A	\$3,185.00

- Bills do not include conservation cost recovery charges, local taxes, franchise fees, or gross receipts taxes.