

Law Offices

HOLLAND & KNIGHT

A Registered Limited Liability Partnership

315 South Calhoun Street
Suite 600
P.O. Drawer 810 (ZIP 32302-0810)
Tallahassee, Florida 32301
904-224-7000
FAX 904-224-8832

February 12, 1997

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KAREN D. WALKER
904-426-5612

Internet Address:
kwalker@hklaw.com

Via Hand Delivery

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

Re: St. Joe Natural Gas Company, Inc.'s Petition for Limited Proceeding to Restructure Rates, Docket No. 970115-GU

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket is the original and 15 copies of Revised Exhibit B to St. Joe Natural Gas Company, Inc.'s Petition for Limited Proceeding to Restructure Rates (the "Petition") and the original and 15 copies of a Revised Cost of Service Summary. Revised Exhibit B and the Revised Cost of Service Summary correct typographical errors in the corresponding documents originally filed with the Petition. Please ensure that a copy of Revised Exhibit B replaces original Exhibit B, and that the Revised Cost of Service Summary replaces the original Cost of Service Summary that was attached as the last page of Exhibit A of the Petition filed with the Florida Public Service Commission on January 27, 1997. For our record keeping, please acknowledge your receipt of this filing on the enclosed copy of this letter.

JMK _____
 JAC _____
 AJC _____
 CTF _____
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FPSC-BUREAU OF RECORDS

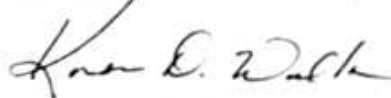
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01586 FEB 12 97
FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo, Director
February 12, 1997
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Thank you for your consideration in this matter.

Sincerely,

HOLLAND & KNIGHT, LLP



Karen D. Walker

Enclosure
KDW/sms
cc: Mr. Stuart Shoaf (w/enclosure)

TAL-100582

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REVISED COST OF SERVICE SUMMARY
CALCULATION OF PROPOSED RATES

ATTACHMENT

COMPANY NAME: ST. JOE NATURAL GAS COMPANY
DOCKET NO.

| | TOTAL | RESIDENTIAL | COMMERCIAL | COMMERCIAL LARGE VOL. | ENDING DECEMBER 1985 INDUSTRIAL | INTERRUPT |
|------------------------------------------|-------------|-------------|------------|--------------------------|------------------------------------|-------------|
| PROPOSED TOTAL TARGET REVENUES | \$1,842,687 | \$483,215 | \$52,081 | \$51,388 | \$0 | \$1,276,005 |
| LESS: OTHER OPERATING REVENUE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| LESS: CUSTOMER CHARGE REVENUES | | | | | | |
| PROPOSED CUSTOMER CHARGES | | \$6 | \$12 | \$35 | \$0 | \$1,000 |
| TIMES: NUMBER OF BILLS | \$37,716 | \$34,728 | \$2,328 | \$812 | \$0 | \$48 |
| EQUALS: CUSTOMER CHARGE REVENUES | \$305,724 | \$208,368 | \$27,936 | \$21,420 | \$0 | \$48,000 |
| LESS: OTHER NON-THERM-RATE REVENUES | | | | | | |
| EQUALS: PER-THERM TARGET REVENUES | \$1,536,943 | \$254,847 | \$24,125 | \$29,968 | \$0 | \$1,228,005 |
| DIVIDED BY: NUMBER OF THERMS | 31,805,108 | 1,055,465 | 80,751 | 297,750 | 0 | 30,171,152 |
| EQUALS: PER-THERM RATES (UNRNDED) | | 0.241457 | 0.298781 | 0.100640 | ERR | 0.040701 |
| PER-THERM RATES (RNDED) | | 0.24146 | 0.29878 | 0.10064 | ERR | 0.04070 |
| PER-THERM-RATE REVENUES (RNDED RATES) | \$1,536,907 | \$254,850 | \$24,125 | \$29,968 | \$0 | \$1,227,968 |
| SUMMARY: PROPOSED TARIFF RATES | | | | | | |
| CUSTOMER CHARGES | | \$6.00 | \$12.00 | \$35.00 | \$0.00 | \$1,000.00 |
| ENERGY CHARGES | | | | | | |
| NON-GAS (CENTS PER THERM) | | 24.146 | 29.878 | 10.064 | ERR | 4.070 |
| PURCHASED GAS ADJUSTMENT | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TOTAL (INCLUDING PGA) | | 24.146 | 29.878 | 10.064 | ERR | 4.070 |
| SUMMARY: PRESENT TARIFF RATES | | | | | | |
| CUSTOMER CHARGES | | \$3.00 | \$5.00 | \$20.00 | \$0.00 | \$1,000.00 |
| ENERGY CHARGES | | | | | | |
| NON-GAS (CENTS PER THERM) | | 1.9700 | 2.3600 | 4.4600 | 0.0000 | 4.8500 |
| PURCHASED GAS ADJUSTMENT | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TOTAL (INCLUDING PGA) | | 1.970 | 2.360 | 4.460 | 0.000 | 4.850 |
| SUMMARY: OTHER OPERATING REVENUE | | | | | | |
| | | PRESENT | PRESENT | PROPOSED | PROPOSED | |
| | | CHARGE | REVENUE | CHARGE | REVENUE | |
| INITIAL CONNECTION | | \$10.00 | \$3,676.00 | \$0.00 | \$0.00 | |
| RECONNECTION | | \$10.00 | \$3,676.00 | \$0.00 | \$0.00 | |
| CHANGE OF ACCOUNT | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| BILL COLLECTION IN LIEU OF DISCONNECTION | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| RETURNED CHECK CHARGE | | \$10.00 | \$410.00 | \$0.00 | \$0.00 | |

REVISED EXHIBIT B

Schedule for Phasing In Restructured Rates

| <u>Customer Charges</u> | <u>Residential</u> | <u>Commercial</u> | <u>Commercial Large Volume</u> | <u>Interruptible</u> |
|----------------------------------------------------------------------|---------------------------|--------------------------|-------------------------------------------|-----------------------------|
| Current Charges | \$3.00 | \$ 5.00 | \$20.00 | \$1,000.00 |
| Interval I* | \$4.00 | \$ 7.33 | \$25.00 | \$1,000.00 |
| Interval II | \$5.00 | \$ 9.67 | \$30.00 | \$1,000.00 |
| Interval III | \$6.00 | \$12.00 | \$35.00 | \$1,000.00 |
| <u>Non-Gas Charges</u> <u>(cents per therm)</u> | | | | |
| Current Charges | 1.9700 | 2.3600 | 4.4900 | 4.8500 |
| Interval I | 9.3620 | 11.5320 | 6.3480 | 4.5900 |
| Interval II | 16.7540 | 20.7040 | 8.2060 | 4.3300 |
| Interval III | 24.1460 | 29.8760 | 10.0640 | 4.0700 |

* Interval I will begin upon final Commission approval of SJNG's restructured rates. Interval II will begin 12 months after final Commission approval of SJNG's restructured rates. Interval III will begin 24 months after final Commission approval of SJNG's restructured rates.