

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Purchased Gas Recovery)
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Docket No. 966003-GU
Submitted for filing
January 9, 1998

DIRECT TESTIMONY OF STUART L. SHOAF ON
BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

Q. Please state your name, business address, by whom
you are employed and in what capacity.

A. Stuart L. Shoaf, 301 Long Avenue, Port St. Joe,
Florida 32456, St. Joe Natural Gas Company in the
capacity of President and Regulatory Affairs.

Q. What is the purpose of your testimony?

A. My purpose is to submit known and estimated gas
costs and therm sales from April 1, 1998 through
March 31, 1999, used in developing the maximum twelve
month levelized purchased gas cost factor to be applied
to customer bills from April 1, 1998 through
March 31, 1999.

Q. Have you prepared any exhibits in conjunction with
your testimony?

A. Yes, I have prepared and filed on Jan. 9, 1998
Schedules E-1 through E-5.

Q. What Purchased Gas Cost Recovery Factor does

1 St. Joe Natural Gas seek approval through its
2 petition for the period April 1, 1998 through March
3 31, 1999?

4 A. 68.000 cents per therm

5 Q. Does this conclude your testimony?

6 A. Yes

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St. Joe Natural Gas Company Inc.
Docket No. 980003-GU
January 9, 1998

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	PROJECTION												TOTAL	
	APR 98	MAY 98	JUN 98	JUL 98	AUG 98	SEP 98	OCT 98	NOV 98	DEC 98	JAN 99	FEB 99	MAR 99		
COST OF GAS PURCHASED														
1 COMPANYTY (Pipeline)	\$2,167	\$2,175	\$2,076	\$2,125	\$2,121	\$2,062	\$2,137	\$2,156	\$2,356	\$2,624	\$2,267	\$2,292	\$2,632	
2 NO NOTICE SERVICE														
3 SWING SERVICE	\$29,995	\$23,330	\$18,722	\$17,073	\$16,783	\$17,683	\$20,028	\$23,491	\$70,332	\$108,512	\$73,145	\$40,056	\$469,109	
4 COMPANYTY (Other)	\$76,016	\$33,696	\$32,560	\$33,696	\$33,696	\$32,560	\$43,912	\$76,016	\$78,549	\$78,549	\$70,946	\$78,549	\$696,696	
5 DEMAND													\$0	
6 OTHER														
LESS END-USE CONTRACT														
7 COMPANYTY (Pipeline)	\$1,922	\$1,966	\$1,922	\$1,966	\$1,966	\$1,922	\$1,966	\$1,922	\$1,966	\$1,966	\$1,794	\$1,966	\$23,306	
8 DEMAND	\$17,992	\$18,592	\$17,992	\$18,592	\$18,592	\$17,992	\$18,592	\$17,992	\$18,592	\$18,592	\$16,793	\$18,592	\$216,808	
9														
10														
11 TOTAL COST (1+2+3+4+5+6+7+8+9+10)	\$58,223	\$38,593	\$33,463	\$32,265	\$31,962	\$32,411	\$45,469	\$91,750	\$130,700	\$109,107	\$127,792	\$100,319	\$622,133	
12 NET UNBILLED														
13 COMPANY USE	\$52	\$27	\$30	\$32	\$39	\$32	\$30	\$60	\$60	\$65	\$73	\$96	\$367	
14 TOTAL THERM SALES	\$58,171	\$38,566	\$33,433	\$32,233	\$31,923	\$32,379	\$45,439	\$91,690	\$130,640	\$109,022	\$127,719	\$100,292	\$621,545	
THERMS PURCHASED														
15 COMPANYTY (Pipeline)	30	31	30	31	31	30	31	30	31	31	28	31		
16 NO NOTICE SERVICE	561,000	572,900	542,000	501,900	590,900	537,000	597,900	667,900	782,900	665,000	622,900	7,180,500		
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0		
18 COMPANYTY (Other)	107,172	83,471	66,983	60,800	59,789	61,830	66,983	103,050	180,308	278,235	216,405	1,419,001		
19 DEMAND	1,186,300	677,660	656,800	677,660	677,660	656,800	677,660	1,186,300	1,227,910	1,227,910	1,109,080	11,191,650		
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0		
LESS END-USE CONTRACT														
21 COMPANYTY (Pipeline)	477,000	492,900	477,000	492,900	492,900	477,000	492,900	477,000	492,900	492,900	443,200	492,900	5,803,500	
22 DEMAND	477,000	492,900	477,000	492,900	492,900	477,000	492,900	477,000	492,900	492,900	443,200	492,900	5,803,500	
23	0	0	0	0	0	0	0	0	0	0	0	0		
24 TOTAL PURCHASES (15+16+17+18+20+21+23)	104,000	81,000	65,000	59,000	56,000	60,000	65,000	100,000	173,000	270,000	210,000	130,000	1,377,000	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	61	56	59	59	71	60	56	65	61	135	120	86	309	
27 TOTAL THERM SALES (24-26)	103,939	80,944	64,941	58,941	57,929	59,940	64,944	99,935	174,919	269,965	209,980	129,914	1,376,991	
CENTS PER THERM														
28 COMPANYTY (Pipeline)	(1/15)	0.00379	0.00383	0.00385	0.00385	0.00384	0.00383	0.00374	0.00359	0.00344	0.00349	0.00366	\$0.00371	
29 NO NOTICE SERVICE	(2/16)													
30 SWING SERVICE	(2/17)	\$0.27950	0.27950	\$0.27950	\$0.28000	\$0.28000	\$0.29000	\$0.32000	\$0.39000	\$0.39000	\$0.30800	\$0.29800	\$0.33059	
31 COMPANYTY (Other)	(4/18)	\$0.06968	\$0.06968	\$0.06968	\$0.06968	\$0.06968	\$0.06460	\$0.06397	\$0.06387	\$0.06397	\$0.06397	\$0.06397	\$0.06975	
32 DEMAND	(2/19)													
33 OTHER	(6/20)													
LESS END-USE CONTRACT														
34 COMPANYTY Pipeline	(7/21)	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	\$0.00403	
35 DEMAND	(6/22)	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	\$0.03772	
36	(6/23)													
37 TOTAL COST	(11/24)	\$0.64627	\$0.47943	\$0.51475	\$0.54715	\$0.55156	\$0.54233	\$0.81747	\$0.74684	\$0.62630	\$0.60853	\$0.77196	\$0.67011	
38 NET UNBILLED	(12/25)													
39 COMPANY USE	(13/26)	\$0.64627	\$0.47943	\$0.51475	\$0.54715	\$0.55156	\$0.54233	\$0.81747	\$0.74684	\$0.62630	\$0.60853	\$0.77196	\$0.64688	
40 TOTAL THERM SALES	(11/27)	\$0.64676	\$0.47876	\$0.51422	\$0.54770	\$0.55223	\$0.54280	\$0.81807	\$0.74719	\$0.62661	\$0.60938	\$0.77217	\$0.67011	
41 TRIE-UP	(E-2)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	(\$0.00979)	
42 TOTAL COST OF GAS	(40+41)	\$0.63697	0.46897	\$0.50543	\$0.53791	\$0.54244	\$0.53301	\$0.80828	\$0.73740	\$0.61682	\$0.59959	\$0.76236	\$0.66032	
43 REVENUE TAX FACTOR		1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	1.0296	
44 POA FACTOR ADJUSTED FOR TAXES (42x43)		\$0.66360	\$0.48079	\$0.52039	\$0.55383	\$0.55649	\$0.54681	\$0.84878	\$0.76476	\$0.63037	\$0.61882	\$0.78494	\$0.67966	
45 POA FACTOR ROUNDED TO NEAREST .001		\$0.664	\$0.481	\$0.520	\$0.554	\$0.558	\$0.547	\$0.849	\$0.765	\$0.631	\$0.617	\$0.785	\$0.680	

COMPANY: ST JOE NATURAL GAS COMPANY, INC

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2

Exhibit#

Docket No. 980003-GU

SL-2

FOR THE CURRENT PERIOD:

APRIL 97

Through

MARCH 98

	ACTUAL								REVISED PROJECTION				TOTAL PERIOD
	APR97	MAY97	JUN97	JUL97	AUG97	SEP97	OCT97	NOV97	DEC97	JAN98	FEB98	MAR98	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$90,473	\$69,844	\$28,519	\$17,793	\$21,429	\$13,259	\$31,532	\$56,410	\$87,446	\$108,512	\$73,145	\$40,056	\$638,418
2 TRANSPORTATION COST	\$144,820	\$141,344	\$132,486	\$92,165	\$13,718	\$5,873	\$14,522	\$55,965	\$59,038	\$60,565	\$54,647	\$60,263	\$835,437
3 TOTAL	\$235,293	\$211,188	\$161,006	\$109,958	\$35,147	\$19,132	\$46,054	\$112,375	\$146,484	\$169,107	\$127,792	\$100,319	\$1,473,854
4 FUEL REVENUES (NET OF REVENUE TAX)	\$313,449	\$243,886	\$187,083	\$141,484	\$86,036	\$113,071	\$58,072	\$133,972	\$157,230	\$169,022	\$127,719	\$100,252	\$1,831,277
5 TRUE-UP COLLECTED OR (REFUNDED)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$29,896)	(\$358,752)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	\$263,553	\$213,990	\$157,187	\$111,568	\$56,140	\$83,175	\$28,178	\$104,078	\$127,334	\$139,126	\$97,823	\$70,356	\$1,472,525
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	\$48,260	\$2,602	(\$3,618)	\$1,630	\$20,993	\$64,043	(\$17,878)	(\$8,299)	(\$18,150)	(\$29,981)	(\$29,969)	(\$29,962)	(\$1,329)
8 INTEREST PROVISION - THIS PERIOD (21)	(\$1,417)	(\$1,147)	(\$1,015)	(\$684)	(\$692)	(\$357)	(\$114)	(\$37)	\$38	\$65	\$64	\$64	(\$5,433)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(\$338,511)	(\$261,773)	(\$230,222)	(\$205,160)	(\$174,517)	(\$124,321)	(\$30,739)	(\$18,835)	\$2,725	\$13,510	\$13,490	\$13,481	(\$338,511)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$29,896	\$358,752
10a FLEX RATE REFUND (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(\$261,773)	(\$230,222)	(\$205,160)	(\$174,517)	(\$124,321)	(\$30,739)	(\$18,835)	\$2,725	\$13,510	\$13,490	\$13,481	\$13,479	\$13,479
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(\$338,511)	(\$261,773)	(\$230,222)	(\$205,160)	(\$174,517)	(\$124,321)	(\$30,739)	(\$18,835)	\$2,725	\$13,510	\$13,490	\$13,481	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(\$290,355)	(\$229,075)	(\$204,144)	(\$173,633)	(\$123,629)	(\$30,361)	(\$18,721)	\$2,762	\$13,471	\$13,425	\$13,417	\$13,415	
14 TOTAL (12+13)	(\$598,866)	(\$490,847)	(\$434,366)	(\$378,793)	(\$298,146)	(\$154,702)	(\$49,460)	(\$16,072)	\$16,196	\$26,935	\$26,908	\$26,896	
15 AVERAGE (50% OF 14)	(\$299,433)	(\$245,424)	(\$217,183)	(\$189,397)	(\$149,073)	(\$77,351)	(\$24,730)	(\$8,036)	\$8,098	\$13,467	\$13,453	\$13,448	
16 INTEREST RATE - FIRST DAY OF MONTH	5.74%	5.62%	5.60%	5.62%	5.58%	5.56%	5.53%	5.53%	5.60%	5.75%	5.75%	5.75%	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.62%	5.60%	5.62%	5.58%	5.56%	5.53%	5.53%	5.60%	5.75%	5.75%	5.75%	5.75%	
18 TOTAL (16+17)	11.36%	11.22%	11.22%	11.20%	11.14%	11.09%	11.06%	11.13%	11.35%	11.50%	11.50%	11.50%	
19 AVERAGE (50% OF 18)	5.68%	5.61%	5.61%	5.60%	5.57%	5.55%	5.53%	5.57%	5.68%	5.75%	5.75%	5.75%	
20 MONTHLY AVERAGE (19/12 Months) -	0.47%	0.47%	0.47%	0.47%	0.46%	0.46%	0.46%	0.46%	0.47%	0.48%	0.48%	0.48%	
21 INTEREST PROVISION (15x20)	(\$1,417)	(\$1,147)	(\$1,015)	(\$684)	(\$692)	(\$357)	(\$114)	(\$37)	\$38	\$65	\$64	\$64	(\$5,433)

COMPANY: ST JOE NATURAL GAS COMPANY, INC.

**TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE**

SCHEDULE E-3

Exhibit# _____

Docket No. 980003-GU

SLS-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APR98

Through MAR99

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GR/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 APR	VARIUOS	SYSTEM	NA	107,172		107,172	\$29,953	\$2,167	\$58,023	Included in Cost	84.11
2 MAY	VARIUOS	SYSTEM	NA	83,471		83,471	\$23,330	\$2,175	\$15,074	Included in Cost	48.61
3 JUN	VARIUOS	SYSTEM	NA	66,983		66,983	\$18,722	\$2,076	\$14,088	Included in Cost	52.83
4 JUL	VARIUOS	SYSTEM	NA	60,800		60,800	\$17,073	\$2,125	\$15,074	Included in Cost	56.37
5 AUG	VARIUOS	SYSTEM	NA	59,769		59,769	\$16,783	\$2,121	\$15,074	Included in Cost	56.85
6 SEP	VARIUOS	SYSTEM	NA	61,830		61,830	\$17,683	\$2,062	\$14,588	Included in Cost	55.53
7 OCT	VARIUOS	SYSTEM	NA	66,983		66,983	\$20,028	\$2,137	\$25,320	Included in Cost	70.89
8 NOV	VARIUOS	SYSTEM	NA	103,050		103,050	\$33,491	\$2,158	\$58,023	Included in Cost	90.90
9 DEC	VARIUOS	SYSTEM	NA	180,338		180,338	\$70,332	\$2,398	\$59,957	Included in Cost	73.58
10 JAN	VARIUOS	SYSTEM	NA	278,235		278,235	\$108,512	\$2,624	\$59,957	Included in Cost	61.49
11 FEB	VARIUOS	SYSTEM	NA	216,405		216,405	\$73,145	\$2,287	\$54,155	Included in Cost	59.88
12 MAR	VARIUOS	SYSTEM	NA	133,965		133,965	\$40,056	\$2,292	\$59,957	Included in Cost	76.37
37 TOTAL		SYSTEM		1,419,001	0	1,419,001	\$469,109	\$26,622	\$449,790	\$0 \$0	66.63

	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	E-4 Line 1 \$2,648,270	A-2 Line 6 \$2,836,919	Col.2 - Col.1 \$188,649	E-2 Line 6 \$1,472,525	Col.3 + Col.4 \$1,661,174*
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-4 Line 2 (\$373,350)	A-2 Line 7 (\$353,339)	Col.2 - Col.1 \$20,011	E-2 Line 7 (\$1,329)	Col.3 + Col.4 \$18,682
3 INTEREST PROVISION FOR THIS PERIOD	E-4 Line 3 (\$6,441)	A-2 Line 8 (\$6,212)	Col.2 - Col.1 \$229	E-2 Line 8 (\$5,433)	Col.3 + Col.4 (\$5,204)
4 END OF PERIOD TOTAL NET TRUE-UP	Line 2 + Line 3 (\$379,791)	Line 2 + Line 3 (\$359,551)	Col.2 - Col.1 \$20,240	Line 2 + Line 3 (\$6,762)	Col.3 + Col.4 \$13,478

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (A-2)		<u>TOTAL TRUE-UP DOLLARS</u>	equals	
COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)		PROJECTED THERM SALES		CENTS PER THERM TRUE-UP
LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)		<u>\$13,478</u>		
LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)		1,376,091	=	\$0.00979
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)				
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)				

* Over
- (Under)

