

ST. JOE NATURAL GAS COMPANY, INC.

ORIGINAL

P O BOX 549 PHONE (850) 229-8216
PORT ST. JOE, FLORIDA 32457



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MAIL ROOM

October 8, 1998

Blanco S Bayo, Director
Division of Record and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl. 32399-0850

Re: Docket No. 980003-GU
Purchased Gas Cost Recovery
for period ending December 31, 1999

Dear Ms. Bayo,

Enclosed for filing in the above referenced docket are an original and ten (10) copies of St. Joe Natural Gas Company's:

1. Petition for Approval of Purchased Cost Recovery Factors;
2. Schedules E-1 through E-5
3. Direct Testimony of Stuart L Shoaf

Please acknowledge receipt of these documents by stamping the extra copy of this letter which is also enclosed.

Thank you for your assistance.

Very truly yours,

Stuart L. Shoaf
Stuart L. Shoaf
President

ACK _____
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Copies: All known parties of record

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Petition
DOCUMENT NUMBER - DATE

11163 OCT-98

FPSC RECORDS/REPORTING

DOCUMENT NUMBER - DATE

11164 OCT-98

FPSC RECORDS/REPORTING

option of flexing downward to market conditions for calculating current month weighted average cost of gas (WACOG) charges.

4. The levelized purchased gas adjustment factor represents the sum of the final net true-up gas costs from April 1, 1997 through March 31, 1998, actual true-up and interest from April 1st through August 31, 1998, estimated true-up and interest from September 1st through December 31, 1998 and estimated purchased gas costs, without interest, from January 1, 1999 through December 31, 1999.

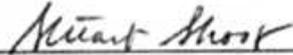
5. Pursuant to the methodology adopted by the Commission in Docket No. 980269-PU, SJNG has calculated a weighted average cost of gas factor (WACOG) through December 31, 1999. Such calculations from Schedules E-1 through E-5 are commingled and are filed herewith.

6. Schedule E-1 reports the estimated average purchased gas costs for the twelve month period ending December 31, 1999 to be \$794,625.00. Based upon estimated total sales of 1,074,091 therms, SJNG seeks a revised maximum WACOG of 60.80 cents per therm.

WHEREFORE, St. Joe Natural Gas Company, Inc. prays the Commission will enter an order approving its WACOG factor of 60.800 cents per therm to be applied to customer bills rendered during the twelve month period ending December 31, 1999.

Dated this 8th day of October, 1998.

Respectfully submitted,



Stuart L. Shoaf, President
St. Joe Natural Gas Company, Inc.
Post Office Box 549
Port St. Joe, Florida 32457-0549
(850) 229-8216