

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Request for rate increase  
By St. Joe Natural Gas Company, Inc.**

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**Docket No. 001447-GU**

**DIRECT TESTIMONY**

**of**

**STUART L. SHOAF**

**on behalf of**

**ST. JOE NATURAL GAS COMPANY, INC.**

DOCUMENT NUMBER-DATE

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F.P.S.C.-RECORDS/REPORTING

INTRODUCTION

1  
2 **Q. Please state your name and business address.**

3 A. My name is Stuart L. Shoaf. My business address is St. Joe Natural  
4 Gas Company, Inc., 301 Long Avenue, Port St. Joe, Florida 32456-  
5 0549.

6  
7 **Q. By whom are you employed and in what capacity?**

8 A. I am the President of St. Joe Natural Gas Company, Inc.  
9 ("SJNG" or the "Company").

10  
11 **QUALIFICATIONS AND EXPERIENCE**

12 **Q. Please describe your educational background.**

13 A. I received a Bachelor of Science Degree in Business Administration  
14 from the University of Tennessee in 1975.

15  
16 **Q. Please describe your work experience prior to becoming  
17 President of SJNG.**

18 A. Upon graduation from the University of Tennessee, I was employed by  
19 MK Ranches in Howard Creek in the position of cattle foreman. I was  
20 first employed by SJNG in February 1979 as a construction foreman. I  
21 later worked for the Company in various capacities prior to becoming  
22 President including: new construction, marketing, customer service,  
23 and operations and maintenance.

24  
25

1           **Q.    What are your current duties as President of SJNG?**

2           A.    My duties as President include managing all facets of the Company's  
3                   operations including: strategic planning; preparation of capital,  
4                   revenue and operation and maintenance budgets; natural gas  
5                   operations; engineering; sales and marketing; customer service;  
6                   accounting functions and regulatory activities.

7  
8                   **PURPOSE OF TESTIMONY AND ORGANIZATION OF CASE**

9           **Q.    What is the purpose of your testimony?**

10          A.    My testimony will generally describe the Company, its operations, and  
11                   its customer base. I will explain the need for immediate rate relief,  
12                   both on an interim and permanent basis, due in part to the  
13                   unanticipated loss of the Company's largest customer, Florida Coast  
14                   Paper Company, L.L.C. ("Florida Coast"), formerly St. Joe Forest  
15                   Products Company, Inc. ("St. Joe Forest"). My testimony will describe  
16                   the Company's historic investment in rate base and the Company's  
17                   projected rate base. My testimony will also address the overearnings  
18                   refund required by Order No. PSC-96-1188-FOF-GU.

19  
20          **Q.    In addition to your testimony, what information is SJNG filing**  
21                   **in support of its rate request?**

22          A.    SJNG is filing the Minimum Filing Requirements ("MFRs") required  
23                   by the Commission's rules. SJNG is also filing the testimony and  
24                   exhibits of Ralph Roberson, the Company's accountant, and Jeff  
25                   Householder, the Company's consultant in this rate case.

DIRECT TESTIMONY OF STUART L. SHOAF

1 Q. Are you sponsoring any of the MFR Schedules?

2 A. Yes. I am sponsoring the following exhibits:

3 Exhibit \_\_\_\_\_ (SLS-1) List of MFR Schedules

4 Sponsored by Stuart L. Shoaf

5 Exhibit \_\_\_\_\_ (SLS-2) Proposed Revised Tariff Sheets

6

7 GENERAL OVERVIEW OF COMPANY

8 Q. Please describe SJNG.

9 A. SJNG is a Florida corporation that was incorporated on April 1, 1959.

10 The Company is a natural gas distribution company that is subject to  
11 the Commission's regulation under Chapter 366, Florida Statutes.

12

13 Q. What territory does SJNG serve?

14 A. SJNG's service territory includes the Florida cities of Port St. Joe,  
15 Mexico Beach and Wewahitchka. The Company's service territory also  
16 includes unincorporated areas of Gulf County, Florida.

17

18 Q. How many customers does SJNG serve?

19 A. SJNG currently provides service to approximately 3,409 total  
20 customers. SJNG's customer base consists of: approximately 3,153  
21 residential customers, which account for 8.5% of the Company's  
22 throughput; 215 commercial customers which account for .66% of the  
23 Company's throughput; 37 large commercial customers, which account  
24 or 2.16% of the Company's throughput; and four transportation  
25 customers, which account for 88.68% of the Company's throughput.

**REQUESTED RATE RELIEF**

1  
2 **Q. What is the amount of the permanent rate increase SJNG seeks**  
3 **in this case?**

4 A. To restore a reasonable rate of return on its investment, the Company  
5 is seeking a permanent rate increase of \$551,923, representing an  
6 overall increase of 51.0%. The calculation of SJNG's permanent  
7 revenue requirement is addressed in Mr. Householder's prefiled direct  
8 testimony.

9  
10 **Q. Have you prepared revised tariff sheets for the Company**  
11 **reflecting the Company's proposed new rates and rate**  
12 **structure?**

13 A. Yes. These revised tariff sheets are attached as Exhibit \_\_\_\_\_ (SLS-  
14 2.

15  
16 **Q. What is the projected test period upon which SJNG is basing**  
17 **its request for a permanent change in base rates?**

18 A. SJNG is basing its request for a permanent rate increase on a  
19 projected test year ending December 31, 2001. This projected test  
20 period best reflects the customer base, sales levels and overall cost of  
21 service that SJNG will experience at the time that the rates set in this  
22 proceeding will be in effect. The Company's fiscal year corresponds to  
23 the calendar year. Thus, the selection of the calendar year 2001 as the  
24 projected test year allows SJNG to use readily available financial and

DIRECT TESTIMONY OF STUART L. SHOAF

1 statistical data from its 1999 fiscal year to represent the historical  
2 base year.

3  
4 **Q. Is SJNG seeking an increase in its authorized Return on  
5 Equity ("ROE")?**

6 **A.** Yes. The Company is requesting an increase in its authorized ROE  
7 from 11% to 11.5%. In keeping with the Commission's past practices,  
8 the requested ROE of 11.5% provides the mid-point for an authorized  
9 rate of plus or minus 100 basis points.

10  
11 **Q. Has the Company retained a consultant to address cost of  
12 capital?**

13 **A.** No. In the Company's view, a cost of capital witness is not necessary  
14 in this case to establish that SJNG's mid-point ROE should be  
15 increased to 11.5%. The Commission recently undertook a  
16 comprehensive cost of equity review in the disposition of the  
17 Chesapeake Utilities Corporation ("CUC") rate case in Docket No.  
18 000108-GU. In that proceeding, the Commission authorized an 11.5%  
19 ROE for CUC. See Order No. PSC-00-2263-FOF-GU. In my view,  
20 SJNG and CUC exhibit similar operating characteristics and business  
21 risks, both which are factors important in assessing an appropriate  
22 cost of capital.

1           **Q. Please explain the similarities between SJNG and CUC.**

2           A. Both SJNG and CUC are extremely small companies. Small  
3           companies generally exhibit greater investment risk than larger firms.  
4           Customer loss (especially of large core accounts), economic shutdowns,  
5           delays in construction project build-out affecting the recovery of gas  
6           extension investment costs, and managing gas supply/capacity  
7           arrangements in the post-FERC Order No. 636 market, all represent  
8           increased risks for small companies. Revenues at both SJNG and CUC  
9           are heavily tilted toward the industrial market sectors. Both  
10          companies have already experienced industrial customer loss that has  
11          required a restructuring of base rates. Additional industrial risk  
12          continues to exist in both companies. Competition from alternative  
13          fuels and the risk of bypass by large accounts is similar in both  
14          companies. CUC finds it must grow its customer base to diversify  
15          revenues and more appropriately spread fixed operating costs.  
16          Unfortunately, the very nature of expanding the distribution system  
17          for a small company exposes it to significant risk. SJNG is clearly in a  
18          similar circumstance. SJNG is not a publicly traded company. Capital  
19          for investment must be generated internally, or raised through debt.  
20          The business risks I have identified help define the credit worthiness  
21          of the company and its ability to attract capital at a reasonable cost,  
22          and assure appropriate interest coverage. Additional information  
23          regarding the Company's business risks are detailed in Mr.  
24          Householder's testimony.

25

1           **Q. Why is a mid-point ROE of 11.5% appropriate for SJNG?**

2           A. There are two fundamental principles that should guide the  
3 establishment of ROEs. First, a company will not be able to attract  
4 capital for investment and maintain financial integrity unless it can  
5 provide returns (or make interest payments) at rates that are similar  
6 to alternative investments gauged to have comparable risks. Second, a  
7 company will not invest in assets unless the expected return exceeds  
8 the company's cost of capital. The Commission should, in my view, set  
9 rates of return that recognize both of these principles. I believe that  
10 SJNG's total risks are higher than those of most local gas distribution  
11 companies at this time. I know that the Company's current financial  
12 position is not providing a reasonable return for the Company's  
13 shareholders. I am concerned that the Company does not have the  
14 financial strength to attract capital at reasonable rates that will  
15 enable the Company to meet the demands for gas in the communities  
16 it serves. In my opinion, the SJNG risk profile and general character  
17 of service closely parallel that of CUC, and therefore, warrants the  
18 authorization of an 11.5% mid-point ROE.

19  
20           **Q. Is SJNG also seeking interim rate relief?**

21           A. Yes. Using the Commission's methodology, the Company needs  
22 interim rate relief in the amount of \$459,185 based on a historical test  
23 year ending December 31, 1999. The calculation of SJNG's interim  
24 revenue requirement is addressed in Mr. Householder's prefiled direct  
25 testimony. The Company is prepared to provide the Commission with



1 a corporate undertaking relating to its interim rate request at the  
2 appropriate time.

3  
4 **NEED FOR RATE RELIEF**

5 **Q. Why is it necessary for SJNG to seek rate relief at this time?**

6 A. The Company's current rates are not producing revenues sufficient to  
7 yield an adequate return on the Company's investment. The  
8 Company's current authorized rate of return is between 5.64% and  
9 6.69%, as established in the Surveillance Reporting Period ended June,  
10 2000. The Company's actual earned rate of return for the same period  
11 is negative 1.21%. If not quickly resolved, this deficiency in earnings  
12 will create serious cash flow problems and threaten the continued  
13 viability of the Company. The revenue short-fall crisis confronting the  
14 Company imposes a hardship on the Company and hampers its ability  
15 to serve its customers and to pursue legitimate growth opportunities.  
16 Rectifying these problems on an expedited basis are the primary  
17 objectives of this rate case.

18  
19 **Q. How has the Florida Coast bankruptcy affected the Company's**  
20 **need for rate relief?**

21 A. Until recently, SJNG's largest customer was Florida Coast, which  
22 operated a pulp and paper mill in Gulf County, Florida. However, in  
23 late 1998, Florida Coast closed its pulp and paper mill, and on April 2,  
24 1999, Florida Coast declared bankruptcy and permanently ceased  
25 operations. The unanticipated loss of Florida Coast as a customer has

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1 had a devastating negative impact on the Company's revenues.  
2 Historically, approximately 66% of the Company's throughput was  
3 delivered to Florida Coast, which equated to a 75% contribution to the  
4 Company's revenues. For a recent four-year period preceding the  
5 paper mill closure (1992 through 1995), the Company's annual therm  
6 sales averaged 30,511,250 therms per year, or 2,542,604 therms per  
7 month. After the mill closure in late 1998, the 1999 annual therm  
8 sales were 10,723,860 therms for the year, or 893,655 therms per  
9 month. This represents a 63% reduction in annual therm sales. While  
10 the paper mill was operating, annual operating revenue levels from  
11 1992 through 1995 averaged approximately \$726,674. Operating  
12 revenue levels for the twelve months ending December 31, 1999, which  
13 was after the mill closure, were negative \$12,506.

14  
15 **Q. You stated that rate relief is needed to pursue legitimate**  
16 **growth opportunities. Please elaborate.**

17 **A.** As Mr. Householder points out in his testimony, companies that fail to  
18 take advantage of legitimate growth opportunities find themselves  
19 spreading the fixed costs of a utility system over a static, or more  
20 likely, declining customer base. This often results in a situation where  
21 rates are increased, costs are cut, services are reduced, and,  
22 ultimately, customers look for alternative energy sources. As Mr.  
23 Householder also states, the Company has legitimate growth  
24 opportunities, primarily in Mexico Beach and Wewahitchka. SJNG  
25 believes it is reasonable and prudent to pursue those growth

1 opportunities which, among other things, will require capital  
2 investment and two new outside plant employees.

3  
4 **Q. What are the responsibilities of the two new outside plant  
5 employees?**

6 A. The primary functions of the two new employees will be to install  
7 service lines and meters in support of the Company's new construction  
8 goals, and to locate Company lines in accordance with the  
9 Underground Facility Damage Prevention and Safety Act. In addition,  
10 the new employees will perform day-to-day utility operation and  
11 maintenance tasks including periodic meter change outs to meet the  
12 Commission's meter testing requirements.

13  
14 **Q. What steps has SJNG taken to avoid seeking an increase in  
15 revenues?**

16 A. The Company has made every reasonable effort to avoid seeking a rate  
17 increase. SJNG has implemented extraordinary cost savings measures  
18 including: limiting increases in operating costs, limiting or delaying  
19 staff salary increases, delaying the needed replacement of utility  
20 vehicles, ceasing the payment of dividends to shareholders, and  
21 foregoing making any contributions to the Company's retirement plan  
22 for the first time since the creation of that plan.

23  
24 In addition, in January of 1997, the Company filed a petition with the  
25 Commission for a limited proceeding to restructure its rates on a

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1 revenue-neutral basis. In approving the requested rate restructuring,  
2 the Commission specifically noted that the Company's "proposed rate  
3 restructuring is designed to retain existing industrial customers and  
4 ensure equity among rate classifications." In Re: Petition for limited  
5 proceeding to restructure rates by St. Joe Natural Gas Company, Inc.,  
6 97 F.P.S.C. 5:115, Docket No. 970115-GU, Order No. PSC-97-0526-  
7 FOF-GU (May 7, 1997). SJNG has also entered into special service  
8 agreements with its existing large industrial customers in an effort to  
9 retain those customers and the associated revenue.

10  
11 **Q. Has SJNG taken other actions to reduce costs to its customers?**

12 A. Yes. In August, 1997, SJNG permanently released 81.1% of its Florida  
13 Gas Transmission Company ("FGT") contracted Firm Transportation  
14 Service ("FTS") capacity to Citrus Corporation, a natural gas supplier.  
15 Further, in October, 1999, SJNG released its remaining FTS-2 pipeline  
16 capacity to the City of Lakeland effective through the in-service date of  
17 FGT's Phase IV expansion project. FGT's Phase IV expansion project is  
18 expected to be in-service by May, 2001, at which time SJNG will  
19 permanently release its FTS-2 capacity to the City of Lakeland.

20  
21 **HISTORIC INVESTMENT IN RATE BASE**

22 **Q. What significant investments made by SJNG over the last**  
23 **decade are included in the Company's historic rate base?**

24 A. Beginning in the early 1990's, SJNG was presented with opportunities  
25 to expand its system to serve the Florida Coast (formerly St. Joe

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1 Forest) pulp and paper mill, the residents of unincorporated  
2 Overstreet and White City, the City of Wewahitchka, and the Gulf  
3 Correctional Institution. At the time, market conditions favored  
4 expansion and the Company took advantage of these conditions to  
5 grow its operations. Accordingly, SJNG made prudent investments in  
6 its rate base necessary for these expansion projects.

7  
8 **Q. How did the Company come to serve the pulp and paper mill?**

9 **A.** For many years prior to St. Joe Forest becoming a customer, SJNG  
10 had been selling 100% of its annual volumetric entitlement and had no  
11 excess capacity to offer large industrial customers. SJNG began  
12 providing limited gas service to the mill in 1985 when its largest  
13 customer at the time reduced its annual gas requirements. However,  
14 at that time, SJNG was only able to deliver about 10% of the mill's  
15 total requirements. In addition, due to lack of sufficient pipeline  
16 capacity, SJNG routinely had to curtail industrial customers like St.  
17 Joe Forest to avoid overrun penalties by FGT.

18  
19 Opportunities to increase capacity began to appear in the late 1980's  
20 when FGT announced its Phase I and II expansion projects. These  
21 expansion projects provided natural gas distribution companies, such  
22 as SJNG, with the chance to gain additional capacity for the first time  
23 in 20 years. As a result of the FGT expansions, SJNG was able to  
24 obtain and increase gas sales to St. Joe Forest. In fact, SJNG entered  
25 into firm service contracts with St. Joe Forest which required SJNG to

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1 contract with FGT for additional firm capacity to fulfill the gas  
2 requirements requested by St. Joe Forest. The FGT capacity  
3 expansions also enabled SJNG to remove the allocation restrictions  
4 historically placed on Arizona Chemical Company ("Arizona  
5 Chemical") and meet its full requirements. In addition, SJNG was  
6 able to acquire capacity for growth in the residential and commercial  
7 markets.

8  
9 **Q. Was the existing FGT pipeline lateral serving the Company's**  
10 **distribution system capable of supporting this capacity**  
11 **increase?**

12 A. No. New pipeline facilities were required. FGT offered to upgrade its  
13 facilities in order to deliver SJNG's requested volumes provided that  
14 SJNG pay FGT in excess of \$8,000,000. After careful consideration,  
15 SJNG determined it could install the necessary facilities to support the  
16 increased system volumes itself at a cost of approximately \$2,300,000.  
17 Consequently, SJNG constructed a new gate station and 24 miles of  
18 eight-inch natural gas pipeline from FGT's lateral in Overstreet,  
19 Florida to the Company's existing meter station in Gulf County.  
20 Today, all of the gas for the Company's entire service area is provided  
21 through these facilities.

22  
23 **Q. How was the pipeline financed?**

24 A. The Company financed construction of the pipeline by securing a loan  
25 with NationsBank of Florida in the amount of \$2,331,841. In support

DIRECT TESTIMONY OF STUART L. SHOAF

1 of the loan, St. Joe Forest agreed to make direct payments to  
2 NationsBank, on behalf of SJNG in the amount of \$39,396.45 per  
3 month, regardless of the actual therms sold and/or delivered by SJNG  
4 to St. Joe Forest during any given month. The obligation to make the  
5 loan payments was assumed by Florida Coast when it purchased the  
6 mill from St. Joe Forest. SJNG was authorized by the Commission to  
7 incur the long-term debt associated with the NationsBank Loan used  
8 to finance the pipeline. In re: Application of St. Joe Natural Gas  
9 Company for Authority to incur debt, Docket No. 910703-GU, Order  
10 No. 24876 (July 31, 1991).

11  
12 **Q. Was the investment in the pipeline prudent?**

13 A. Yes. At the time SJNG constructed the pipeline there were severe  
14 limits on its ability to meet the needs of its existing customers and to  
15 expand to serve new customers. Expanding service to the paper mill  
16 provided a base customer and funding mechanism to remedy the  
17 capacity and pressure problems that had long plagued the system. The  
18 paper mill had been in continuous operation since 1939, and there was  
19 no indication that the mill would ever be closed. Also, at the time, the  
20 Commission was interested in gas utilities expanding their gas  
21 systems and increasing their number of customers. With this new  
22 pipeline in place, SJNG was be able to expand its system to serve the  
23 unincorporated areas of Overstreet and White City, and the City of  
24 Wewahitchka.

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1 As a direct result of the Company's efforts to increase industrial  
2 revenues from the paper mill and Arizona Chemical by constructing  
3 the new pipeline, SJNG's residential customers enjoyed the lowest gas  
4 rates in Florida (\$3.00 Customer Charge and \$0.0197 Non-Fuel  
5 Charge) for years. Thus, at the time, the investment in the new  
6 pipeline was in the best interests of SJNG's customers.

7  
8 **Q. What investment in rate base did SJNG make to serve the**  
9 **residents of Wewahitchka?**

10 A. The Wewahitchka expansion project consisted of 13 miles of high  
11 pressure mains, 10 miles of low pressure mains, and associated service  
12 lines and metering facilities required to serve customers. The total  
13 cost of this project through December 1999 was \$693,925. Because the  
14 project would result in an estimated 21 percent increase in rate base,  
15 SJNG sought and obtained a prior determination by the Commission  
16 that the Company could include the Wewahitchka expansion project  
17 investment in the rate base. See In Re: Petition of St. Joe Natural Gas  
18 Company, Inc. for inclusion of investment in Wewahitchka expansion  
19 project in its rate base, 94 F.P.S.C. 7:55, Docket No. 940548-GU, Order  
20 No. PSC-94-0833-FOF-GU (July 11, 1994).

21  
22 **Q. What investment did SJNG make to serve the Gulf**  
23 **Correctional Institution?**

24 A. The project to expand SJNG's system to serve the Gulf Correctional  
25 Institution consisted of 8.52 miles of four-inch steel high pressure



1 mains, and associated facilities at a cost of \$471,116. Again, because  
2 of the size of the investment compared to the size of the Company's  
3 rate base, SJNG sought and obtained a prior determination from the  
4 Commission that this investment could be included by the Company in  
5 the rate base. See In Re: Petition for approval of service agreement for  
6 firm transportation service with Florida Department of Management  
7 Services and Florida Department of Corrections by St. Joe Natural  
8 Gas Company, Inc., 96 F.P.S.C. 6:181, Docket No. 960385-EU, Order  
9 No. PSC-96-0756-FOF-EU (June 10, 1996).

10  
11 **RATE BASE (PROJECTED)**

12 **Q. What are the Company's projected capital expenditures for**  
13 **2000?**

14 A. The company has projected a capital budget for the year 2000 of  
15 \$69,793 as reflected in Schedule G-1 of the MFRs. Of the \$69,793,  
16 \$67,108 will be used for revenue-producing facilities. The remaining  
17 \$2,685 will be for replacing office equipment and communication  
18 equipment.

19  
20 **Q. What are the Company's projected capital expenditures for**  
21 **2001?**

22 A. The company has projected a capital budget for the year 2001 of  
23 \$323,365 as reflected in Schedule G-1 of the MFRs. Of the \$323,365,  
24 \$224,415 will be for revenue-producing facilities. The remaining



DIRECT TESTIMONY OF STUART L. SHOAF

1 operating inefficiencies. However, the Company's pressing need to  
2 increase rates is not at all prompted by operating inefficiencies or  
3 increases in the Company's costs. Rather, it is caused solely by factors  
4 outside of the control of the Company, namely, loss of the Company's  
5 largest customer. To the extent that the Commission orders that the  
6 excess earnings from 1994-1995 be refunded, the Company respectfully  
7 requests that the remaining unamortized amount (which as of  
8 December 31, 2000 is \$219,507) be amortized and refunded over a  
9 twenty-one year period (the original 25 year amortization period less  
10 the four years that have elapsed since the Order was issued) beginning  
11 on the effective date of the Company's rate increase.

12  
13 **Q. Does this conclude your testimony?**

14 **A. Yes.**

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**MFR Schedules Sponsored By  
Stuart L. Shoaf**

<u>Schedule No.</u>	<u>Title</u>
A-1 p. 2	Executive Summary – Magnitude of Change-Present vs. Prior Rate Case
A-2 p. 3	Executive Summary – Analysis of Permanent rate Increase Requested
A-3 p. 4	Executive Summary – Analysis of Jurisdictional Rate Base
A-4 p. 5	Executive Summary – Analysis of Jurisdictional N.O.I.
A-5 p. 6	Executive Summary – Overall Rate of Return Comparison
A-6 p. 7	Executive Summary – Financial Indicators
E-9 p. 128	Cost Study – Tariff Sheets
G-1 p. 170	Historic Base Year + 1 - Construction Budget
G-1 p. 171	Historic Base Year + 1 – Monthly Plant Additions
G-1 p. 172	Historic Base Year + 1 – Monthly Plant Retirements
G-1 p. 173	Projected Test Year – Construction Budget
G-1 p. 174	Projected Test Year – Monthly Plant Additions
G-1 p. 175	Projected Test Year – Monthly Plant Retirements
I-1 p. 244	Customer Service – Interruption
I-2 p. 245	Notification of Commission Rule Violations

MFR Schedules Sponsored By  
Stuart L. Shoaf

<u>Schedule No.</u>	<u>Title</u>
I-3 p. 246	Periodic Test of Customer Meters: Meter Testing-Periodic Testing-250 cfh and less
I-3 p. 247	Periodic Test of Customer Meters: Meter Testing-Periodic Testing-250 cfh and less (Cont.)
I-3 p. 248	Periodic Test of Customer Meters: Meter Testing-Periodic Testing-250 cfh and less (Cont.)
I-3 p. 249	Periodic Test of Customer Meters: Meter Testing-Periodic Testing-250 cfh and less (Cont.)
I-3 p. 250	Periodic Test of Customer Meters: Meter Testing-Periodic Testing-251 cfh through 2500 cfh

**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.00  
Cancels Original Sheet No. 5.00**

**RULES AND REGULATIONS  
(continued)**

**INDEX OF RATE SCHEDULES**

<b>DESCRIPTION</b>	<b>NAME</b>	<b>SHEET NO.</b>
RS	Residential Service	5.01
SCS	Small Commerical Service	5.02
CS	Commerical Service	5.03
LCS	Large Commerical Service	5.04
IS	Interruptible Service	5.05
LIS	Large Interruptible Service	5.06
FTS	Firm Transportation Service	5.07
CIS	Contract Interruptible Service	5.09
CTS	Contract Transportation Service	5.11
ITS	Interruptible Transportation Service	5.14
Blank	Intentionally Left Blank	5.16 - 5.18
Billing Adjustments		5.19

**Issued By: S.L. Shoaf, President**

**Effective:**

**Issued On:**

**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**Fourth Revised Sheet No. 5.01  
Cancels Third Revised Sheet No. 5.01**

**Rate Schedule RS  
RESIDENTIAL SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas delivered to the Customer who requires Firm Gas Service for residential purposes under individual contracts in a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home, residence, or sleeping place of one or more persons, or common use of facilities of condominium associations, cooperative apartments, homeowners associations.

**3. RATES AND CHARGES**

Customer Charge:	\$12.00 per month
Non- Fuel Charge	\$0.51227 per therm

**4. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**5. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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Issued By: S.L. Shoaf, President

Effective:

Issued On:

**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**Fourth Revised Sheet No. 5.02  
Cancels Third Revised Sheet No. 5.02**

**Rate Schedule SCS  
SMALL COMMERCIAL SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas delivered to a Commercial Customer using 0 up to 2,000  
therms per year.

**3. RATES AND CHARGES**

Customer Charge:	\$12.00 per month
Non- Fuel Charge	\$0.51227 per therm

**4. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**5. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may  
be amended from time to time, are hereby made a part of this Rate Schedule.

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Issued By: S.L. Shoaf, President

Effective:

Issued On:



**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**Fourth Revised Sheet No. 5.03  
Cancels Third Revised Sheet No. 5.03**

**Rate Schedule CS  
COMMERCIAL SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas delivered to a Commercial or Industrial Customer using more than  
2,000 up to 25,000 therms per year.

**3. RATES AND CHARGES**

Customer Charge: \$40.00 per month

Non- Fuel Charge \$0.30000 per therm

**4. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**5. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may  
be amended from time to time, are hereby made a part of this Rate Schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.04  
Cancels Original Sheet No. 5.04**

**Rate Schedule LCS  
LARGE COMMERCIAL SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas delivered to a Commercial or Industrial Customer using more than 25,000 up to 500,000 therms per year.

**3. RATES AND CHARGES**

<b>Customer Charge:</b>	<b>\$1,000.00 per month</b>
<b>Non- Fuel Charge</b>	<b>\$0.11842 per therm</b>

**4. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**5. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**Fourth Revised Sheet No. 5.06  
Cancels Third Revised Sheet No. 5.06**

**Rate Schedule LIS  
LARGE INTERRUPTIBLE SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas delivered to a Commercial or Industrial Customer using more than 500,000 therms per year.

**3. RATES AND CHARGES**

**Customer Charge:** \$1,000.00 per month

**Non- Fuel Charge** \$0.02982 per therm

**Minimum Charge:** The Minimum Charge shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement.

**4. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**5. SERVICE AGREEMENT**

A Service Agreement accepted by the Company is a condition precedent for service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

**6. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.07  
Cancels Original Sheet No. 5.07**

**Rate Schedule FTS  
FIRM TRANSPORTATION SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Aggregated transportation service available to non-residential customers whose annual metered transportation volume is more than 25,000 up to 500,000 therms per year.

**3. RATES AND CHARGES**

<b>Customer Charge:</b>	<b>\$1,000.00 per month</b>
<b>Transportation Charge</b>	<b>\$0.11842 per therm</b>

**4. MINIMUM MONTHLY BILL**

The minimum monthly charge shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement, and, if applicable, the Maximum Daily Transportation Quantity (MDTQ), expressed in therms, but not less than therms times the number of days transportation is made available in each billing period, at the rate per therm set forth above, until the Maximum Annual Transportation Quantity (MATQ) has been delivered, at which time only the monthly Customer Charge applies.

**5. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**6. SERVICE AGREEMENT**

A Service Agreement accepted by the Company is a condition precedent for service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.08  
Cancels Original Sheet No. 5.08**

**Rate Schedule FTS  
FIRM TRANSPORTATION SERVICE  
(Continued)**

**6. SPECIAL CONDITIONS**

- a) As a condition for receiving service pursuant to this CTS Rate Schedule Customer agrees that, on termination of service hereunder, Customer will pay to Company the amount, if any, by which Customer's consumption (in therms) during the 12 months immediately preceding the date on which service hereunder is terminated, times the applicable LIS Rate, exceeds Customer's consumption (in therms) during the said period, times the Transportation Charges actually paid for such consumption by Customer.
- b) The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 5.20.
- c) The rates set forth in this schedule shall be subject to the operation of the Company's Conversion factor set forth on Sheet No. 5.20.
- d) Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.

**7. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.09  
Cancels Original Sheet No. 5.09**

**Rate Schedule CIS  
CONTRACT INTERRUPTIBLE SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Aggregated transportation service available to non-residential customers whose annual metered transportation volume is more than 25,000 up to 500,000 therms per year.

**3. RATES AND CHARGES**

Customer Charge:

\$1,000.00 per month

Non- Fuel Charge:

- a) An amount not less than \$0.01 per therm nor greater than one and one-half (1.5) times the Large Interruptible Service (LIS) rate per therm. Unless changed by Company pursuant to this Rate Schedule, the Non-Fuel Charge per therm shall be equal to the LIS rate.
- b) The one and one-half (1.5) times the Large Interruptible Service (LIS) rate as used herein means the non-fuel charge prescribed in Rate Schedule LIS, adjusted pursuant to the applicable Billings Adjustments as set forth beginning on Sheet No. 5.19.
- c) The Non-Fuel Charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not limited to: the cost of gas which is available to serve Customer ; the delivered price, including applicable taxes and transportation costs, and availability of Customer's designated alternative fuel; and the nature of Customer's operations (such as load factor, fuel efficiency and emissions, alternative fuel capacity, etc.). Company may from time to time decrease or increase the Non-Fuel Charge as it deems necessary or appropriate to meet or remain competitive, but shall have no obligation to do so; provided, however, that the Non-Fuel Charge shall at all times remain within the limits set forth above.
- d) Company shall notify Customer at least 48 hours in advance of any change in the Non-Fuel Charge under this rate schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.10  
Cancels Original Sheet No. 5.10**

**Rate Schedule CIS  
CONTRACT INTERRUPTIBLE SERVICE  
(Continued)**

- e) Customer may at any time request a reduction in its Non-Fuel Charge by completing the Company's Form No. 26 (set forth in Sheet No. 71.03). Once a Customer has submitted such form, and the same has been accepted by Company, the Customer shall resubmit such form, with the then current information, on the first day of each month thereafter, and at such time there is any change in any information contained in a form previously submitted. The monthly Non-Fuel Charge for a Customer who submits no Form No. 26 to the Company, or who fails to submit such form (properly completed) as required hereunder, or whose form is not accepted by the Company, shall be the LIS rate per therm.

**4. MINIMUM MONTHLY BILL**

- The minimum monthly charge shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement.

**5. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**6. SERVICE AGREEMENT**

A Service Agreement accepted by the Company is a condition precedent for service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

**7. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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Issued By: S.L. Shoaf, President

Effective:

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.11  
Cancels Original Sheet No. 5.11**

**Rate Schedule CTS  
CONTRACT TRANSPORTATION SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas transported on behalf of a Customer using greater than 500,000 therms per year on either a Firm or Interruptible basis.

**3. RATES AND CHARGES**

**Customer Charge: \$1,000.00 per month**

**Non- Fuel Charge:**

- a) An amount not less than \$0.01 per therm nor greater than one and one-half (1.5) times the Large Interruptible Service (LIS) rate per therm. Unless changed by Company pursuant to this Rate Schedule, the Transportation Non-Fuel Charge per therm shall be equal to the LIS rate.
- b) The one and one-half (1.5) times the Large Interruptible Service (LIS) rate as used herein means the non-fuel charge prescribed in Rate Schedule LIS, adjusted pursuant to the applicable Billings Adjustments as set forth beginning on Sheet No. 5.19.
- c) The Transportation Non-Fuel Charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not limited to: the cost of gas which is available to serve Customer ; the delivered price, including applicable taxes and transportation costs, and availability of Customer's designated alternative fuel; and the nature of Customer's operations (such as load factor, fuel efficiency and emissions, alternative fuel capacity, etc.). Company may from time to time decrease or increase the Transportation Non-Fuel Charge as it deems necessary or appropriate to meet or remain competitive, but shall have no obligation to do so; provided, however, that the Transportation Non-Fuel Charge shall at all times remain within the limits set forth above.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.12  
Cancels Original Sheet No. 5.12**

**Rate Schedule CTS  
CONTRACT TRANSPORTATION SERVICE  
(Continued)**

- d) Company shall notify Customer at least 48 hours in advance of any change in the Non-Fuel Charge under this rate schedule.
- e) Customer may at any time request a reduction in its Non-Fuel Charge by completing the Company's Form No. 26 (set forth in Sheet No. 71.03). Once a Customer has submitted such form, and the same has been accepted by Company, the Customer shall resubmit such form, with the then current information, on the first day of each month thereafter, and at such time there is any change in any information contained in a form previously submitted. The monthly Non-Fuel Charge for a Customer who submits no Form No. 26 to the Company, or who fails to submit such form (properly completed) as required hereunder, or whose form is not accepted by the Company, shall be the LIS rate per therm.

**4. MINIMUM MONTHLY BILL**

The minimum monthly charge shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement, and, if applicable, the Maximum Daily Transportation Quantity (MDTQ), expressed in therms, but not less than therms times the number of days transportation is made available in each billing period, at the rate per therm set forth above, until the Maximum Annual Transportation Quantity (MATQ) has been delivered, at which time only the monthly Customer Charge applies.

**5. SERVICE AGREEMENT**

A Service Agreement accepted by the Company is a condition precedent for service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**Second Revised Sheet No. 5.13  
Cancels First Revised Sheet No. 5.13**

**Rate Schedule CTS  
CONTRACT TRANSPORTATION SERVICE  
(Continued)**

**6. SPECIAL CONDITIONS**

- a) As a condition for receiving service pursuant to this CTS Rate Schedule Customer agrees that, on termination of service hereunder, Customer will pay to Company the amount, if any, by which Customer's consumption (in therms) during the 12 months immediately preceding the date on which service hereunder is terminated, times the applicable LIS Rate, exceeds Customer's consumption (in therms) during the said period, times the Transportation Charges actually paid for such consumption by Customer.
- b) The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 5.20.
- c) The rates set forth in this schedule shall be subject to the operation of the Company's Conversion factor set forth on Sheet No. 5.20.
- d) Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.

**7. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.14  
Cancels Original Sheet No. 5.14**

**Rate Schedule ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE**

**1. AVAILABILITY:**

Entire Service Area

**2. APPLICABILITY AND CHARACTER OF SERVICE**

Gas transported on behalf of a Customer using up to 150,000 therms per year on an interruptible basis.

**3. RATES AND CHARGES**

<b>Customer Charge:</b>	<b>\$360.00 per month</b>
<b>Transportation Charge</b>	<b>\$0.04210 per therm</b>

**4. MINIMUM MONTHLY BILL**

The minimum monthly charge shall be the Customer Charge and any applicable terms and conditions contained in the Service Agreement, and, if applicable, the Maximum Daily Transportation Quantity (MDTQ), expressed in therms, but not less than therms times the number of days transportation is made available in each billing period, at the rate per therm set forth above, until the Maximum Annual Transportation Quantity (MATQ) has been delivered, at which time only the monthly Customer Charge applies.

**5. BILLING ADJUSTMENTS**

See Billing Adjustments, Sheet Nos. 5.19 through 5.23

**6. SERVICE AGREEMENT**

A Service Agreement accepted by the Company is a condition precedent for service under this Rate Schedule. The term of the Service Agreement shall be set forth therein but shall not be less than one (1) year.

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**ST JOE NATURAL GAS COMPANY  
FPSC TARIFF**

**First Revised Sheet No. 5.15  
Cancels Original Sheet No. 5.15**

**Rate Schedule ITS  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)**

**7. SPECIAL CONDITIONS**

- a) Customer bears sole responsibility for all costs incurred up to the designated point of delivery on Company's system.
- b) Service under this Rate Schedule shall be subject to the terms and conditions of the Interruptible Transportation Service Agreement between the Company and Customer and, unless otherwise indicated herein or in the ITSA, to the General Rules and Regulations set forth in this gas tariff.
- c) The rates set forth in this Rate schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 5.20.
- d) Service under this Rate Schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.

**8. TERMS AND CONDITIONS**

The Rules and Regulations of Company's FPSC Gas Tariff, as the same may be amended from time to time, are hereby made a part of this Rate Schedule.

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ST JOE NATURAL GAS COMPANY  
 FPSC TARIFF

First Revised Sheet No. 5.21  
 Cancels Original Sheet No. 5.21

RULES AND REGULATIONS (Continued)

- 4) "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
- B. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve months ending September 30 ("determination period").
- C. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven successive months ending on a September 30 within five years following the determination period may be an adjustment period.
- D. In the event of a surplus, Company shall reduce rates to customers (other than customers served under Rate Schedules CIS and CTS) to credit them with revenues equal to the surplus.
- E. In the event of a shortfall, Company may increase rates to customers (other than customers served under Rate Schedules CIS and CTS) to recover an amount not to exceed the amount of the shortfall.
- F. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the non-fuel energy charge or transportation charge prescribed in each rate schedule of this tariff (except rate Schedules CIS and CTS) by an adjustment factor computed as follows and rounded to the nearest 0.00001 cent per therm:

In event of a surplus, subtract:	Surplus Refund to Customer
	-----
	PTS

In event of a shortfall, add.	Shortfall Recovery to Customer
	-----
	PTS

Where: PTS = Projected therm sales to and transportation for customers (excluding customers served under Rate Schedules CIS and CTS) during the adjustment period.

Any variation between the actual surplus refund to customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

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FPSC TARIFF

First Revised Sheet No. 5.22  
Cancels Original Sheet No. 5.22

RULES AND REGULATIONS (Continued)

- G Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

6 CONVERSION FACTOR

The factor representing the BTU content per cubic foot is used to convert cubic feet to therms for billings to customers. The BTU content shall be the BTU per cubic foot as billed by the pipeline(s) for the current month adjusted.

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ST JOE NATURAL GAS COMPANY  
FPSC TARIFF

Original Sheet No. 5.23

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RULES AND REGULATIONS (Continued)

1. Availability:

Entire Service Area

2. Applicability:

To all customers for services rendered and fees assessed in accordance with the Rules and Regulations Section of the Company's approved tariff.

3. Rates and Charges:

Residential Connection Charge:	\$30.00
Non-Residential Connection Charge:	\$60.00
Residential Re-Connection Charge:	\$30.00
Non-Residential Re-Connection Charge:	\$60.00
Collection in Lieu of Disconnect Charge:	\$15.00
Change of Account:	\$20.00
Return Check Charge:	\$25.00 or 5%
	of the face value of the check whichever is greater

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ST. JOE NATURAL GAS COMPANY, INC.  
FPSC TARIFF

First Revised Sheet No. 16  
Cancels Original Sheet No.16

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RULES AND REGULATIONS (continued)

3. INITIATION OF SERVICE

- A. REQUEST FOR GAS SERVICE - Gas Service may be requested by a prospective customer by:
- 1) Verbal or telephone request to a business office of the Company (in the case of residential Gas Service), or
  - 2) By submission to Company of a completed Request For Gas Service (in the case of Gas Service other than residential Gas Service).
- B. EXECUTION OF SERVICE AGREEMENTS - A Service Agreement is required for gas service provided to a Customer whose annual requirement is 50,000 therms or more per year. Upon a determination by Company that sufficient capacity exists to provide a requested service, Company will tender to the requesting Customer a Service Agreement in the form contained in Section 18 of Company's FPSC Gas Tariff for the requested service. Customer must execute and return such Service Agreement to Company within thirty (30) days of receipt.
- C. ACCEPTANCE OF REQUEST FOR GAS SERVICE - A Request For Gas Service shall be deemed to be accepted by the Company when gas service pursuant thereto is initiated.
- D. OBLIGATION OF CUSTOMER AND COMPANY - The terms and conditions of the Customer's Request For Gas Service, these Rules and Regulations, and the applicable Rate Schedules shall become binding upon the Customer and Company upon acceptance by the Company of the Customer's Request For Gas Service.
- E. METER TURN ON AND METER RECONNECTION CHARGE - Whenever Gas Service is initiated or restored by the Company at any location, the charges set forth on Sheet No. 5.23.

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ST. JOE NATURAL GAS COMPANY, INC.  
FPSC TARIFF

First Revised Sheet No. 17  
Cancels Original Sheet No 17

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RULES AND REGULATIONS (continued)

Where Gas Service is established outside of normal business hours or by special appointment, the charges set forth above will be multiplied by 1.5. Meter turn-on and Meter Restoration Charges shall be adjusted by applicable Billing Adjustments, Sheet Nos. 5.19 - 5.23.

- F. WITHHOLDING OF GAS SERVICE - Company will refuse to establish Gas Service to any location where it finds that establishment of Gas Service will create an unsafe or hazardous condition on the Customer's premises.

Company may discontinue Gas Service to an existing Customer or refuse to serve a prospective Customer where such Customer's use of Gas is or will be detrimental or hazardous to the Gas Service supplied to other Customers.

- Company will not establish Gas Service to any Customer where that Customer is in arrears for Gas Service at that location or another location in the Company's service area.

Unauthorized or Fraudulent Use of Gas: Company will discontinue Gas Service without notice:

- 1) In the event of tampering with regulators, valves, meters or other facilities furnished and owned by Company, or

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FPSC TARIFF

First Revised Sheet No. 25  
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RULES AND REGULATIONS (continued)

- G. REFUND OF DEPOSIT WHEN GAS SERVICE IS DISCONNECTED - Upon termination of Gas Service, a cash deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly (in no event later than fifteen (15) days after Gas Service is discontinued) to the Customer.
- H. RETURNED CHECKS - A service charge, as specified on Sheet No. 5.23, shall be added to the Customer's bill for Gas Service for each check dishonored by the bank upon which it is drawn. Termination of Gas Service shall not be made for failure to pay such returned check charge.

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