BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| In Re: | Purchased Gas Recovery |) | Docket No. 060003-GU |
|--------|------------------------|---|----------------------|
| | |) | Submitted for filing |
| | |) | September 26, 2006 |

ST. JOE NATURAL GAS COMPANY'S PREHEARING STATEMENT

St. Joe Natural Gas Company, Inc. (SJNG) by and through its undersigned officer, hereby submits its Prehearing Statement to be taken up at the Hearing set to begin November 6, 2006 in the above listed docket.

A. APPEARANCES:

None; Stuart L. Shoaf has substituted prepared testimony which should be inserted into the record as if read.

B. <u>WITNESSES:</u>

| <u>Witness</u> | Subject Matter | <u>Issues</u> |
|----------------|-------------------------|---------------|
| Stuart L Shoaf | Fuel Adjustment, | All |
| | true-up and projections | |

C. EXHIBITS:

| Exhibit No. | Witness | Description |
|----------------|--------------|---|
| (SLS-1) A-7 | Stuart Shoaf | Final Over/Under |
| (SLS-2) E-1 | Stuart Shoaf | PGA Summary of estimates for the projected period. |
| (SLS-3) E-2 | Stuart Shoaf | Calculation of true-up amount current period (8 months actual 4 months estimated) |
| (SLS-4) E-3 | Stuart Shoaf | Transportation purchases system supply and end use for the projected period DOCUMENT NO |

DOCUMENT NUMBER-DATE

08974 SEP 28 8

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| Exhibit No. | Witness | Description |
|------------------|---------|---|
| (SLS-5) E-4 | Shoaf | Calculation of true-up amount for the projected period based on the prior period and current period (8 months actual, 4 months estimated) |
| (SLS-6) E-5 | Shoaf | Therm Sales and Customer Data (For the projected Period) |
| (SLS-7) E-1/R | Shoaf | Reprojected PGA for Current Period (8 mths actual, 4 mths est.) |

D. STATEMENT OF BASIC POSITION:

The appropriate over (under) recovery amounts and purchased gas adjustment factors are shown in the company's positions on Issues 1 - 5.

E. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 1: What is the appropriate final purchased gas adjustment true-up amount for the period January, 2005 through December, 2005?

SJNG's Position: \$6,541 over-recovery.

Issue #2: What is the estimated purchased gas adjustment true-up amount for the
period of January 2006 through December 2006?

SJNG's Position: \$208,831.00 over-recovery.

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Issue #3: What is the total purchased gas adjustment true-up amount to be
refunded during the period of January 2007 through December 2007?

SJNG's Position: \$215,373 over-recovery

Issue #4: What is the appropriate levelized purchased gas adjustment recovery
(cap) factor for the period January, 2007 through December, 2007?

SJNG's Position: 103.90 cents per therm recovery (cap) factor

Issue #5: What should be the effective date of the new purchased gas adjustment
charge for billing purposes?

SJNG's Position: The effective date for the new purchased gas adjustment charge should be January 1, 2007.

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Stuart L. Shoaf, President
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Preliminary Issues and Positions and Prehearing Statement filed on behalf of St. Joe Natural Gas Company has been served upon all known parties of record on this 26th day of September 2006.

Stuart L. Shoaf, President