

ST JOE NATURAL GAS

Serving Florida's Panhandle Since 1963

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September 11, 2008

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED--FPSC
08 SEP 15 AM 10:19
COMMISSION
CLERK

Ref: Order No. PSC-08-0436-PAA-GU
Docket No. 070592-GU
Petition for rate increase by St. Joe Natural Gas Company, Inc.

Response to changes made to books and records that were required as a result of the decision's made in this docket.

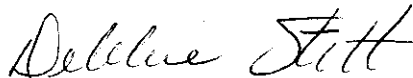
1. Equipment no longer in service: Enclosed are depreciation schedules showing the retirement of two pickup trucks in October 2007 and the salvage of \$9,870 in January 2008 when the vehicles were sold.

Also enclosed are revised depreciation schedules showing the early retirement of the 2001 Silverado Chevrolet Truck given to the General Manager in January 2003 with salvage of \$16,822. After the depreciation study, the reserve balance in Vehicles was \$59,932. After making the adjustment of \$16,822 to vehicles, the balance would have been \$59,178 so the difference of (\$754) was recorded January 2008.

2. Return on Common Equity: Schedule showing change made to the ROE from 11.50 percent to 11.00 percent is enclosed.

There were only the two adjustments to be made to the books and records as a result of the audit. If I can be of further assistance, please let me know.

Sincerely,



Debbie Stitt
Regulatory Analyst
St Joe Natural Gas Company

DOCUMENT NUMBER-DATE

08598 SEP 15 08

FPSC-COMMISSION CLERK

REVISED

WH 392 Vehicles

- 1. Date of Report..... 12/31/03 97
- 2. Service Life Years.... 8
- 3. Net Salvage % 10.00%
- 4. Depr. Rate Approved... 10.30% 11.50%

Mth	BOM Plant Balance	Additions	Adjust. Trans.	Retire-ments	EOM Plant Balance	BOM Reserve Balance	Retire-ments	Salvage	Cost of Removal	Adj. or Transf.	Depr. Reserve Accrual	EOM Reserve Balance
Jan	\$168,212.02			\$22,629	\$145,583.22	\$94,455.16	\$22,628.80	\$16,822			\$1,346.70	\$89,995
Feb	\$145,583				\$145,583.22	\$89,995.06					\$1,249.59	\$91,245
Mar	\$145,583	\$24,550		\$17,947	\$152,186.14	\$91,244.65	\$17,947.45	\$1,000			\$1,277.93	\$75,575
Apr	\$152,186				\$152,186.14	\$75,575.13					\$1,306.26	\$76,881
May	\$152,186				\$152,186.14	\$76,881.40					\$1,306.26	\$78,188
Jun	\$152,186				\$152,186.14	\$78,187.66					\$1,306.26	\$79,494
Jul	\$152,186				\$152,186.14	\$79,493.92					\$1,306.26	\$80,800
Aug	\$152,186	\$21,504			\$173,690.36	\$80,800.19					\$1,398.55	\$82,199
Sep	\$173,690				\$173,690.36	\$82,198.74					\$1,490.84	\$83,690
Oct	\$173,690	\$24,270			\$197,960.28	\$83,689.58					\$1,595.00	\$85,285
Nov	\$197,960				\$197,960.28	\$85,284.58					\$1,699.16	\$86,984
Dec	\$197,960		(\$24,270)		\$173,690.36	\$86,983.74				(\$208)	\$1,595.00	\$88,371
		\$70,324.51	(\$24,269.92)	\$40,576.25	\$173,690.36		\$40,576.25	\$17,822.00	\$0.00	(\$208.00)	\$16,877.83	\$88,371
Total Plant EOM						\$173,690.36						
Less Accum. Depr.						(\$88,370.74)						
Net Utility Plant						\$85,319.62						
Adjusted 27269.92 to transfer to 121/392 NUPlant												

ST. JOE NATURAL GAS COMPANY

VH 392 Vehicles

1. Date of Report..... 12/31/04 97
 2. Service Life Years.... 8
 3. Net Salvage % 10.00%
 4. Depr. Rate Approved... 10.30% 11.50%

REVISED

Mth	BOM Plant Balance	Additions	Adjust. Trans.	Retire-ments	EOM Plant Balance	BOM Reserve Balance	Retire-ments	Salvage	Cost of Removal	Adj. or Transf.	Depr. Reserve Accrual	EOM Reserve Balance
Jan	\$173,690.36				\$173,690.36	\$88,370.74					\$1,490.84	\$89,862
Feb	\$173,690				\$173,690.36	\$89,861.58					\$1,490.84	\$91,352
Mar	\$173,690				\$173,690.36	\$91,352.42					\$1,490.84	\$92,843
Apr	\$173,690				\$173,690.36	\$92,843.27					\$1,490.84	\$94,334
May	\$173,690				\$173,690.36	\$94,334.11					\$1,490.84	\$95,825
Jun	\$173,690				\$173,690.36	\$95,824.95					\$1,490.84	\$97,316
Jul	\$173,690				\$173,690.36	\$97,315.79					\$1,490.84	\$98,807
Aug	\$173,690				\$173,690.36	\$98,806.64					\$1,490.84	\$100,297
Sep	\$173,690				\$173,690.36	\$100,297.48					\$1,490.84	\$101,788
Oct	\$173,690				\$173,690.36	\$101,788.32					\$1,490.84	\$103,279
Nov	\$173,690				\$173,690.36	\$103,279.16					\$1,490.84	\$104,770
Dec	\$173,690				\$173,690.36	\$104,770.00					\$1,490.84	\$106,261
			\$0.00		\$173,690.36				\$0.00	\$0.00	\$17,890.11	\$106,261
Total Plant EOM						\$173,690.36						
Less Accum. Depr.						<u>(\$106,260.85)</u>						
Net Utility Plant						<u>\$67,429.51</u>						

ST. JOE NATURAL GAS COMPANY

UH 392 Vehicles

REVISED

1. Date of Report.....	12/31/05	97
2. Service Life Years....	8	
3. Net Salvage %	10.00%	
4. Depr. Rate Approved...	10.30%	11.50%

Mth	BOM Plant Balance	Additions	Adjust. Trans.	Retire- ments	EOM Plant Balance	BOM Reserve Balance	Retire- ments	Salvage	Cost of Removal	Adj. or Transf.	Depr. Reserve Accural	EOM Reserve Balance
Jan	\$173,690.36				\$173,690.36	\$106,260.85					\$1,490.84	\$107,752
Feb	\$173,690				\$173,690.36	\$107,751.69					\$1,490.84	\$109,243
Mar	\$173,690	\$37,172		\$27,436	\$183,426.61	\$109,242.53	\$27,435.94	\$9,000			\$1,532.63	\$92,339
Apr	\$183,427				\$183,426.61	\$92,339.22					\$1,574.41	\$93,914
May	\$183,427				\$183,426.61	\$93,913.63					\$1,574.41	\$95,488
Jun	\$183,427			\$21,624	\$161,802.74	\$95,488.04	\$21,623.87	\$4,000			\$1,481.61	\$79,346
Jul	\$161,803				\$161,802.74	\$79,345.78					\$1,388.81	\$80,735
Aug	\$161,803				\$161,802.74	\$80,734.59					\$1,388.81	\$82,123
Sep	\$161,803				\$161,802.74	\$82,123.40					\$1,388.81	\$83,512
Oct	\$161,803				\$161,802.74	\$83,512.20					\$1,388.81	\$84,901
Nov	\$161,803				\$161,802.74	\$84,901.01					\$1,388.81	\$86,290
Dec	\$161,803				\$161,802.74	\$86,289.82					\$1,388.81	\$87,679
		\$37,172.19	\$0.00	\$49,059.81	\$161,802.74		\$49,059.81	\$13,000.00	\$0.00	\$0.00	\$17,477.59	\$87,679
Total Plant EOM						\$161,802.74						
Less Accum. Depr.						(\$87,678.63)						
Net Utility Plant						<u>\$74,124.11</u>						

ST. JOE NATURAL GAS COMPANY

UH 392 Vehicles

1. Date of Report.....	12/31/06	97
2. Service Life Years....	8	
3. Net Salvage %	10.00%	
4. Depr. Rate Approved...	10.30%	11.50%

REVISED

Mth	BOM Plant Balance	Additions	Adjust. Trans.	Retire- ments	EOM Plant Balance	BOM Reserve Balance	Retire- ments	Salvage	Cost of Removal	Adj. or Transf.	Depr. Reserve Accrual	EOM Reserve Balance
Jan	\$161,802.74				\$161,802.74	\$87,678.63					\$1,388.81	\$89,067
Feb	\$161,803				\$161,802.74	\$89,067.44					\$1,388.81	\$90,456
Mar	\$161,803				\$161,802.74	\$90,456.24					\$1,388.81	\$91,845
Apr	\$161,803				\$161,802.74	\$91,845.05					\$1,388.81	\$93,234
May	\$161,803				\$161,802.74	\$93,233.86					\$1,388.81	\$94,623
Jun	\$161,803				\$161,802.74	\$94,622.66					\$1,388.81	\$96,011
Jul	\$161,803				\$161,802.74	\$96,011.47					\$1,388.81	\$97,400
Aug	\$161,803	\$27,652		\$18,100	\$171,354.02	\$97,400.28	\$18,100.45	\$1,200			\$1,429.80	\$81,930
Sep	\$171,354				\$171,354.02	\$81,929.63					\$1,470.79	\$83,400
Oct	\$171,354	\$42,525		\$12,078	\$201,801.15	\$83,400.41	\$12,077.96	\$11,347			\$1,601.46	\$84,271
Nov	\$201,801				\$201,801.15	\$84,271.04					\$1,732.13	\$86,003
Dec	\$201,801				\$201,801.15	\$86,003.17					\$1,732.13	\$87,735
		<u>\$70,176.82</u>	<u>\$0.00</u>	<u>\$30,178.41</u>	<u>\$201,801.15</u>		<u>\$30,178.41</u>	<u>\$12,547.13</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$17,687.95</u>	<u>\$87,735</u>
Total Plant EOM						\$201,801.15						
Less Accum. Depr.						<u>(\$87,735.30)</u>						
Net Utility Plant						<u>\$114,065.85</u>						

ST. JOE NATURAL GAS COMPANY

392 Vehicles

1. Date of Report.....	12/31/07	97
2. Service Life Years....	8	
3. Net Salvage %	10.00%	
4. Depr. Rate Approved...	10.30%	11.50%

REVISED

Mth	BOM Plant Balance	Additions	Adjust. Trans.	Retire- ments	EOM Plant Balance	BOM Reserve Balance	Retire- ments	Salvage	Cost of Removal	Adj. or Transf.	Depr. Reserve Accrual	EOM Reserve Balance
Jan	\$201,801.15				\$201,801.15	\$87,735.30					\$1,732.13	\$89,467
Feb	\$201,801				\$201,801.15	\$89,467.43					\$1,732.13	\$91,200
Mar	\$201,801				\$201,801.15	\$91,199.55					\$1,732.13	\$92,932
Apr	\$201,801				\$201,801.15	\$92,931.68					\$1,732.13	\$94,664
May	\$201,801				\$201,801.15	\$94,663.81					\$1,732.13	\$96,396
Jun	\$201,801				\$201,801.15	\$96,395.93					\$1,732.13	\$98,128
Jul	\$201,801				\$201,801.15	\$98,128.06					\$1,732.13	\$99,860
Aug	\$201,801				\$201,801.15	\$99,860.19					\$1,732.13	\$101,592
Sep	\$201,801				\$201,801.15	\$101,592.31					\$1,732.13	\$103,324
Oct	\$201,801	\$50,408		\$49,403	\$202,806.19	\$103,324.44	\$49,402.54				\$1,736.44	\$55,658
Nov	\$202,806	\$2,996			\$205,802.19	\$55,658.34					\$1,753.61	\$57,412
Dec	\$205,802				\$205,802.19	\$57,411.95					\$1,766.47	\$59,178
		<u>\$53,403.58</u>	<u>\$0.00</u>	<u>\$49,402.54</u>	<u>\$205,802.19</u>		<u>\$49,402.54</u>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$20,845.66</u>	<u>\$59,178</u>
Total Plant EOM						\$205,802.19						
Less Accum. Depr.						<u>(\$59,178.42)</u>						
Net Utility Plant						<u>\$146,623.77</u>						

ST. JOE NATURAL GAS COMPANY, INC.
Worksheet to compute a 13 month average
For Month of : JANUARY 2008

		13 MONTH AVERAGES	NON UTILITY ADJ.	TOTAL 13 MONTH AVERAGES	BALANCE CURRENT MTH YTD	NON UTILITY ADJ.	BALANCE CURRENT MT YTD REGUL.
201	Common Capital Stock	66,700	-24,330	42,370	66,700	-23,498	43,202
208	Donations from Stockholders	234,694	-85,607	149,087	234,694	-82,682	152,012
216	Earned Surplus	<u>1,922,231</u>	<u>-701,157</u>	<u>1,221,074</u>	<u>1,861,935</u>	<u>-655,956</u>	<u>1,205,978</u>
	Subtotal:	2,223,625	-811,094	1,412,531	2,163,329	-762,137	1,401,192
253	Other Deferred Credits - FI Coast	1,192,437		1,192,437	1,166,976		1,166,976
253.1	Other Deferred Credits - GCI	27,402		27,402	27,402		27,402
224.4	Long Term Debt - Bayside (LOC)	38,462	-14,029	24,432	300,000	-105,689	194,311
231	Short Term Debt	126,923	-46,297	80,626	0	0	0
235	Deposits	59,223	-21,602	37,621	63,354	-22,320	41,035
282	Deferred Income Tax	<u>61,322</u>		<u>61,322</u>	<u>51,825</u>		<u>51,825</u>
	Total:	3,729,393	-893,022	2,836,371	3,772,886	-890,146	2,882,740

Ratio:	Average	Cost Rate	Low Point	Cost Rate	Mid Point	Cost Rate	High Point
Common Equity	49.80%	10.00	4.98	11.00	5.48	12.00	5.98
Other Deferred Credits - FC	42.04%	0.00	0.00	0.00	0.00	0.00	0.00
Other Deferred Credits - GCI	0.97%	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt - Bayside LOC	0.86%	7.75	0.07	7.75	0.07	7.75	0.07
Short Term Debt	2.84%	8.00	0.23	8.00	0.23	8.00	0.23
Customer Deposits	1.33%	6.00	0.08	6.00	0.08	6.00	0.08
Deferred Income Tax	<u>2.16%</u>	0.00	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0.00</u>
	100.00%		5.35%		5.85%		6.35%

	Year End						
Common Equity	48.61%	10.00	4.86	11.00	5.35	12.00	5.83
Other Deferred Credits - FC	40.48%	0.00	0.00	0.00	0.00	0.00	0.00
Other Deferred Credits - GCI	0.95%	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt - Bayside LOC	6.74%	7.75	0.52	7.75	0.52	7.75	0.52
Short Term Debt	0.00%	8.00	0.00	8.00	0.00	8.00	0.00
Customer Deposits	1.42%	6.00	0.09	6.00	0.09	6.00	0.09
Deferred Income Tax	<u>1.80%</u>	0.00	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0.00</u>
	100.00%		5.47%		5.95%		6.44%