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## P R O C E E D I N G S

1  
2           **MS. DRAPER:** Well, good morning, and thank  
3 you for coming. We have a presentation prepared,  
4 and I also have a hard copy, if that's easier for  
5 you to look through than looking on the screen.

6           We're here for Docket 160033. It's a petition  
7 to restructure rates by St. Joe Natural Gas Company.  
8 And this is our official customer meeting.

9           Let me introduce first who we are. We're with  
10 the Public Service Commission, not the utility, and I'm  
11 Elisabeth Draper. We have Greg Shafer and Don Rome in  
12 the back.

13           The presentation, a quick outline, I'm going  
14 to go over the company's petition, the requested rates,  
15 and then the process we use to go over the utility's  
16 petition.

17           The reasons the utility, St. Joe Natural Gas  
18 Company, gave us for filing a petition with the Public  
19 Service Commission is that they lost their largest and  
20 only industrial customer -- it's Arizona Chemical  
21 Company -- and the company is requesting to restructure  
22 their rates, the rates you pay, to recover \$285,000 in  
23 lost annual revenues. That's how much Arizona Chemical  
24 was paying the company, which they're no longer  
25 receiving those revenues. The last time St. Joe asked

1 for a rate increase was in July 2008.

2           You have on the next page some bill impacts,  
3 which is the same information you have in the Special  
4 Report you got when you came in. I assume you're a  
5 residential customer, and there are three different  
6 residential customer classes the utility has. So  
7 depending if you're a small residential, medium, or  
8 larger residential, it shows the current bill and then  
9 the bills under the utility requested rates.

10           So we're talking an increase of about \$4 if  
11 you're a small residential customer, about 6-, \$7 if  
12 you're a medium residential customer, and around 9- to  
13 \$10 if you're a larger residential customer. And you  
14 know from your own bill under which residential  
15 customer -- which residential class you fall into.

16           The process -- I want to go -- give a brief  
17 overview of the process the Commission uses to process  
18 this case. It's what we refer to as a proposed agency  
19 action or PAA process. And a utility is allowed to seek  
20 rate relief. It's an informal process. We have five  
21 months to complete it. And the other way a utility can  
22 petition something with us is go through a formal  
23 hearing, but that's a lot more costly. So we're using  
24 the less costly informal approach.

25           What do we at the Commission, what do we do?

1 We have an investigation; we ask the utility some  
2 questions; we have a customer meeting, which is what  
3 we're doing today; and then we're writing a  
4 recommendation; and then our Commissioners will vote on  
5 that. The Commissioners -- our Commissioners are the  
6 five people in this Special Report that you have  
7 received. They're the decision-makers.

8 The staff investigation. Staff, that's who we  
9 are -- we're accountants, economists -- we review and  
10 analyze the utility's petition, we ask them questions.  
11 They have to respond in writing. So they have to  
12 provide us all the information we need to make an  
13 informed decision.

14 The next step is the customer meeting. That's  
15 what we're having here today. And that's -- the purpose  
16 is to receive comments from you regarding the proposed  
17 increase or anything you want to tell us about the  
18 utility. And I really want to emphasize this meeting  
19 today is for the customer, not the utility, and we want  
20 to get your feedback regarding your experience with the  
21 utility.

22 And there's a list at the door you signed up  
23 to speak. And also at the back of the Special Report,  
24 if you want to take copies with you, if you know anybody  
25 who would like to provide comments but is not here today

1 or was not able to come and speak, they can provide us  
2 comments, fill out this form. All you have to do is put  
3 a stamp on here and mail it to the Public Service  
4 Commission, and we'll consider the customer comments.

5 After the staff investigation and the customer  
6 meeting, we prepare and file a recommendation. That's  
7 when we tell the Commissioners what we think is the  
8 right decision. And the Commissioners will make a  
9 decision and vote on it. And at that agenda, the  
10 utility and customers may be able to speak.

11 If you or somebody you know wants to speak at  
12 the Commission Conference, please let us know, and we'll  
13 make accommodations for you to be able to speak.

14 The staff recommendation is scheduled to be  
15 filed currently on June 23rd of this year, and the  
16 Agenda Conference, when the Commissioners make their  
17 vote, is scheduled for July 7th, 2016. And our  
18 Commissioners may either approve or deny or modify the  
19 utility's petition.

20 If you would like to get a copy of the staff  
21 recommendation, Dick Durbin here with us has a form you  
22 can fill out that we mail a copy to you. And I  
23 apologize. I forgot to introduce Dick Durbin. He's  
24 with the Commission too. He's here. Anyway, that's  
25 what that form looks like if you would like to get a

1 copy of the staff recommendation.

2 The Commission also broadcasts all its agendas  
3 live on the internet, so you can go to our home page and  
4 watch the agenda through our website. So if you'd like  
5 to know more about that, you can come talk to us about  
6 it afterwards or follow the instructions in the Special  
7 Report. So the next two pages show you how to do that.  
8 And it's streamed live, all our agenda conferences.

9 After the Commission votes on this in July,  
10 the Commission issues an order, and after that begins a  
11 21-day protest period. So anybody who does not like the  
12 Commission's decision can protest that decision, and  
13 then we would go to a formal hearing. And that is a  
14 much more formal process where the utility and  
15 participants have to file testimony, have to provide  
16 witnesses, and we have a hearing in front of the  
17 Commissioners.

18 Again, after that, staff will file a  
19 recommendation and the Commission votes on this issue  
20 again. And if for some reason somebody protests that  
21 decision again, it would go to the supreme court.

22 I'd like to cover some additional resources  
23 that are available to customers. There's the Office of  
24 the Public Counsel.

25 The next slide. Can you go to the next

1 slide? Okay. Sorry. The Office of the Public  
2 Counsel, they're here to advocate on behalf of all  
3 the consumers in Florida, people like you, and we  
4 have their 1-800 number listed. So they typically  
5 intervene also in cases before the Public Service  
6 Commission on behalf of all the customers. So we  
7 have their phone number and their website.

8 And finally, our agency, the Public  
9 Service Commission, also has a hotline for consumer  
10 affairs. These people take all calls regarding any  
11 complaints, outages, bill concerns. So you can call  
12 their 1-800 number.

13 Finally we're shifting to the customer  
14 feedback section of this meeting. That's where you come  
15 in. We're going to call you out. And just please  
16 remember this is being recorded today. I will call the  
17 participants in the order they signed up. And come  
18 forward to the microphone. I guess it's up here. Or  
19 you can come here to speak or you can just remain  
20 seated. We're small enough, we can do it as you please.  
21 And state your name, address, and please spell your last  
22 name. And we're here to listen to what you have to say  
23 and answer any questions you may have.

24 **MR. DURBIN:** Mr. Mork.

25 **MR. DRAPER:** Where would you like to



1 speak? Or you can remain seated.

2 **MR. MORK:** I'll stay -- I'll get right up  
3 here.

4 **MR. DRAPER:** Okay.

5 **MR. MORK:** It looks like a big crowd here  
6 today.

7 **MR. MOURING:** We're going to be here until  
8 5:00.

9 **MR. MORK:** I don't have that much to say,  
10 but my name is Tom, Thomas Mork. My address is  
11 224 Pine Street, Port St. Joe, Florida. That is on  
12 St. Joe Beach. And I have lived there -- I bought  
13 the place in 1969, and I've lived there that long.  
14 I still continue to live there.

15 And I lived there when they brought the  
16 natural gas by in front of my house. I was using  
17 West Florida Propane, and the only time I used it  
18 was in the wintertime. We heated with it. I had  
19 three space heaters in the house. And I didn't  
20 hardly make enough money working at the paper mill  
21 as a first class welder to pay for my gas bill -- it  
22 was so high. But fortunately for us, the natural  
23 gas company run a line out there. It come by the  
24 house. I don't know when that was, but I have an  
25 idea it was sometime around 1975. And my gas bill

1 went down a bunch. And it come May or June, and my  
2 wife give me the gas bill. It was -- she said, "We  
3 didn't use any gas this month, but the bill -- we  
4 got a bill for \$5." So I called down there and asked  
5 them why they sent me a bill. We didn't use any  
6 gas. And they said, "Well, as long as you're hooked  
7 up, that's a minimal bill. You pay \$5 a month  
8 minimum." I said, "Well, cut it off. I'll get it  
9 turned back on in September." She said, "Well" -- I  
10 might not be exact on these figures, but she said,  
11 "That would be \$35 to turn it back on." So what  
12 good was it to -- but anyway, I said, "All right.  
13 My wife has been bitching about wanting a dryer.  
14 I'll get her a gas dryer." So I did, and she really  
15 liked it. It dried much better than an electric  
16 dryer. And my bill run, in the summertime, then 6-,  
17 \$7 a month. I felt I was getting my money's worth  
18 out of it then.

19 And every time that -- my electric stove  
20 went down, I bought a gas stove and put in. And my  
21 electric water heater went out, and I bought a gas  
22 water heater to replace it. But I don't know what  
23 we was paying for gas along in them days.

24 They're talking about a therm now. I  
25 don't even have an idea of what a therm is. But I

1 noticed on the stock market they claim that gas is  
2 at a record low, that it's way lower than it was 20  
3 years ago. And that's just like this, to recover  
4 \$285,000 -- is there somebody that can answer  
5 questions here at this meeting?

6 **MR. DRAPER:** Yes. We're here to answer  
7 questions.

8 **MR. MORK:** What is that 285,000? Is that  
9 their profit off -- they've lost or is that the gas  
10 bill?

11 **MR. DRAPER:** That's how much Arizona  
12 Chemical used to pay St. Joe, and it does not  
13 include the gas. The cost of gas itself  
14 is separate. So when --

15 **MR. MORK:** They get -- you come up with  
16 these figures and all, and the average person like  
17 me that don't know shit from Shinola don't know what  
18 you're talking about. Now is that the profit  
19 they've lost?

20 **MR. DRAPER:** It's part of their revenues,  
21 part of the money they were taking --

22 **MR. MORK:** Part of the revenue. They have  
23 more than that coming in?

24 **MS. DRAPER:** Yeah. They have -- they're  
25 making 280,000 less now than before.

1           **MR. MORK:** That's what I'm saying. That  
2 was their profit off the gas.

3           **MR. DRAPER:** It covers their cost of  
4 operating the system. It includes some profit, but  
5 it also includes the cost of the pipelines that  
6 bring the gas to your house, to operate and maintain  
7 the structure.

8           **MR. MORK:** Well, over the years when they  
9 brought it by my house, I hooked up to it. And they  
10 run it down the beach and then they run it to  
11 Overstreet, and I think at the same time they might  
12 have run it to Overstreet and then come back and run  
13 it from here to White City. I don't know about how  
14 far this goes. You ought to have a map here to  
15 where -- show what their territory covers. Because  
16 there's been hundreds of houses built and people  
17 paying -- they've got hundreds more customers now  
18 than even they had in 2008.

19           **MR. DRAPER:** Actually the number of  
20 customers has gone slightly down.

21           **MR. MORK:** I don't see how it would be  
22 possible because -- unless they're just not putting  
23 gas in these new houses they're building. And I  
24 understand there's some of them that's electric, you  
25 know, 100 percent electricity, but --

1           **MR. DRAPER:** The number of customers,  
2 about -- a little bit over 3,000. It has remained  
3 about the same and fewer. And there was hope for  
4 some new developments. And I'm not from this area,  
5 but from what I understand, they just have not  
6 happened with the housing market not developing as  
7 they hoped for.

8           **MR. MORK:** Well, all you've got to do is  
9 drive around out there on the beach or down here in  
10 south Gulf County. I'm sure they've got a pipeline  
11 going down, a gas line going down there too.

12                   And another thing, residential gas was  
13 always higher than the industrial gas was. In other  
14 words, they was -- they told me -- I said, "When the  
15 mill gets to needing more gas in the wintertime, are  
16 they going to cut the customers off?" They said,  
17 "No. Industrial gets cut off before customers do."  
18 Now that's what they said then.

19           **MR. DRAPER:** Okay. I know the gas  
20 company, like any utility, would like to have more  
21 customers and they're trying to get more customers.

22           **MR. MORK:** I want to know -- I want to  
23 know what their rate of return is, what they call a  
24 fair return on their investment.

25           **MR. DRAPER:** I can actually tell you what

1 the --

2 **MR. MORK:** Well, I hope you can. Because  
3 I just put \$10,000 in a money market account, and  
4 I'm getting -- I didn't go far enough in school to  
5 know how to read that .035, a percentage point of  
6 1 percent. And I hope theirs is at least that low.

7 **MR. DRAPER:** It is pretty low. In 2015,  
8 their return was 1.14 percent.

9 **MR. MORK:** How much?

10 **MS. DRAPER:** 1.14 percent.

11 **MR. MORK:** I've got to buy stock in them.

12 **MR. DRAPER:** That's actually very low for  
13 a utility.

14 **MR. MORK:** Well, I couldn't figure out  
15 when they was building these -- when they was  
16 running them pipelines way out in sparsely built  
17 places, how long it was going to take for them to  
18 make their return back for putting the pipeline down  
19 to start with.

20 **MS. DRAPER:** It depends on how many  
21 customers they were able to get to get gas and --

22 **MR. MORK:** Well, yeah, when they're  
23 sparsely built, you know, that's not many.

24 **MR. DRAPER:** And then they probably could  
25 be losing money on those pipelines, but --

1           **MR. MORK:** For years out there where I  
2 live there wasn't no houses being built. But  
3 they're being built out there now, but I'm not  
4 saying they're hooking up to gas. I might need to  
5 go up there and check with them. But I would say --  
6 of course, I don't think you'd have them figures,  
7 how much they had in '75, how many customers they  
8 had and what they've gained over the years.

9           **MR. DRAPER:** I don't know about '75, but  
10 we asked the utility a number of customers. And in  
11 2,008, they had a total of 3,049 customers; and in  
12 2015, they had 2,946. So a gradual decline.  
13 Certainly not increasing, as I'm sure they're hoping  
14 for.

15           **MR. MORK:** Well, that -- the only thing I  
16 can say is if you keep going up on the gas price,  
17 I'm not going to be taking no more. You know what  
18 I'm saying? You've got a choice between electricity  
19 and gas, and my gas bill, you know, is higher in the  
20 wintertime. It's well over a hundred dollars to  
21 heat my house, and I have an old house. Like I  
22 said, I've been living there since '69. It's not  
23 insulated and all like they're building these new  
24 houses.

25           And in the summertime when I just -- when I'm

1 just using that -- my hot water heater and the dryer,  
2 it's running 20- or \$30, I would say, a month.

3 **MR. DRAPER:** But just to be clear, the  
4 company is not here because they lost a few  
5 customers. It's only because Arizona Chemical --  
6 they were such a large customer --

7 **MR. MORK:** Yeah.

8 **MR. DRAPER:** -- and they provided a lot of  
9 money and used a lot of gas. And when they shut  
10 down, there was a problem --

11 **MR. MORK:** That's why I was wanting to  
12 know, was that -- was that their profit that they  
13 lost?

14 **MS. DRAPER:** It was a large part of the  
15 overall money they were making.

16 **MR. MORK:** I don't mean about everything.  
17 I'm talking about from the gas company. How much --  
18 how much did the gas -- Arizona had a -- used so  
19 much gas and they had to pay a bill.

20 **MR. DRAPER:** Yes. Their bill was the  
21 284,000. That was --

22 **MR. MORK:** Well, that's not -- then that's  
23 not a loss because they're not -- they don't have  
24 that big a loss, the way I do arithmetic, because  
25 they don't have to buy that from the gas -- the main



1 people in Texas, wherever their get their natural  
2 gas from, they don't have that to pay.

3 **MR. DRAPER:** That's correct.

4 **MR. MORK:** That's not an expense item  
5 anymore.

6 **MR. SHOAF:** The 284,000 has nothing to do  
7 with the cost of the gas, though. The gas, whether  
8 it's Arizona Chemical, whether it's a residential  
9 customer, is a passthrough, is a wash. So that  
10 284 represents not the gas. It represents part of  
11 the customer charge and the delivery charge. So  
12 then when the rates were set in 2008, they were set  
13 in mind with 284,000 coming from Arizona Chemical.  
14 When they shut down, that dropped every bit of the  
15 profit to where there is no more profit. And the  
16 hope was that more customers would come on. We'd  
17 find another large industrial customer come in and  
18 set up shop. That hasn't happened, and cutting  
19 expenses hasn't fixed it, and that's why the company  
20 is in a position it is in today. If it doesn't do  
21 something now, then -- I mean, it should have done  
22 something two or three years ago, but we were  
23 holding out hoping something would come along so we  
24 wouldn't have to be --

25 **UNIDENTIFIED SPEAKER:** Could you identify

1 yourself, please.

2 **MR. SHOAF:** Andy Shoaf, St. Joe Gas  
3 Company.

4 **MR. MORK:** I've got a question: Who you  
5 might be.

6 **MR. SHOAF:** Andy Shoaf.

7 **MR. MORK:** Who?

8 **MR. SHOAF:** Andy Shoaf.

9 **MR. MORK:** Are you working with the gas  
10 company?

11 **MR. SHOAF:** Yes, sir.

12 **MR. MORK:** That's about all I got. If you  
13 haven't gotten my drift, I'm against a raise.

14 **MS. DRAPER:** We appreciate your comments.

15 **MR. MORK:** And most people that's moving  
16 into this place is like myself, they're retired or  
17 going to -- shortly going to be retired, and one  
18 thing they're going to be looking for is the utility  
19 rates. And we've got -- the electricity is the --  
20 when I moved here from Panama City 45 years ago, the  
21 rate in Panama City at Gulf Power was to what  
22 Florida Power was, what used to be here, was a third  
23 more here than what it was in Panama City. I had a  
24 a -- I had a bill about \$20 in Panama, and when I  
25 moved here, it went -- jumped up to 35. That's how

1 much more it was. Come close to doubling. But I'm  
2 against a raise. Thank you.

3 **MR. DRAPER:** Thank you.

4 **MR. DURBIN:** Ms. Mouring, did you have  
5 anything that you'd like to add?

6 **MS. MOURING:** Well, in the presentation,  
7 my questions, part of them were answered and  
8 everything, but I would like to just say that I've  
9 got to question -- or just to make a statement, that  
10 it's tragic that Arizona Chemical closed and the gas  
11 company has lost its revenue. But other people that  
12 are in business, if they lose revenue, they've got  
13 to get out there and work their buns off to get more  
14 people to meet their customers. And so that would  
15 be my thing about it. Yes, everybody is going up  
16 and everything, but I don't see how the few people  
17 that are customers are going to be able for them to  
18 recoup that amount for a monthly loss from Arizona  
19 Chemical.

20 **MR. DURBIN:** Ms. Mouring, could we get  
21 your name and address for the record?

22 **MS. MOURING:** Juanita Mouring, 1021 Marvin  
23 Avenue, Port St. Joe, Florida.

24 **MR. DURBIN:** Any other customers who would  
25 like to address the --

1           **MR. BYRD:** I'm Bill Byrd. I live at Gulf  
2 Aire Subdivision. And I don't understand the  
3 process of how the rating is done and how the  
4 increase is done. Who could tell me? And is this  
5 the primary meeting of a rate increase?

6           **MR. DRAPER:** Yes, it's the meeting on the  
7 rate increase the company has requested.

8           **MR. BYRD:** Okay. Then what -- does it go  
9 through other agencies of the government beyond  
10 this?

11           **MR. DRAPER:** No. We're the only agency  
12 that regulates this utility.

13           **MR. SHAFER:** This is a customer meeting.  
14 This is to get feedback from the customers. And  
15 they --

16           **MR. BYRD:** And your name?

17           **MR. SHAFER:** My name is Greg Shafer. I'm  
18 with the Public Service Commission staff.

19           **MR. BYRD:** Okay.

20           **MR. SHAFER:** And once -- as part of the  
21 process that Elizabeth talked about before you got  
22 here, I think, we scrutinize the utility's  
23 application for increase, make sure that, you know,  
24 the numbers make sense and so forth. And that, you  
25 know, we have questions we ask about, you know, what

1 their current expenses were -- are and how many  
2 customers and that sort of thing. And then we will  
3 prepare a recommendation to present to the Public  
4 Service Commissioners for their decision. They're  
5 the decision-makers. And that -- that meeting is  
6 going to happen where the Commissioners make the  
7 decision -- what's the date, Elisabeth?

8 **MR. DRAPER:** On July 7th.

9 **MR. SHAFER:** So this is the opportunity to  
10 hear from the customers. But then if you wish to,  
11 you know, come to Tallahassee and speak directly to  
12 the Commissioners, you're welcome to do that as  
13 well. But that's where the decision -- that's where  
14 and when the decision will be made.

15 **MR. BYRD:** And the Public Service  
16 Commission is composed of who or what (inaudible)?

17 **MR. MORK:** They've got them in this  
18 brochure.

19 **MR. DRAPER:** If you look at the blue  
20 handout you have --

21 **MR. BYRD:** Just tell me. I don't want to  
22 look at the handout.

23 **MR. SHAFER:** There are five -- there are  
24 five Commissioners. They're appointed by the  
25 Governor and approved by the -- they have to be

1 approved by the Florida Senate. And, you know,  
2 their names and everything are here, and they're  
3 from different parts of the state and they come from  
4 different backgrounds.

5 **MR. BYRD:** Are they working for the  
6 state --

7 **MR. SHAFER:** Yes.

8 **MR. BYRD:** -- or are they private  
9 individuals?

10 **MR. SHAFER:** No, they're --

11 **MR. MORK:** Jimmy Pernomis (sic) --

12 **MR. SHAFER:** Patronis.

13 **MR. MORK:** -- Patronis is one of them.  
14 He's from Panama City Beach.

15 **MR. BYRD:** Yeah.

16 **MR. SHAFER:** Yeah. They work -- they're  
17 employees of the state. Yes.

18 **MR. BYRD:** They're employees of the -- is  
19 there any other public input other than this group  
20 right here?

21 **MR. SHAFER:** This is the -- well, there is  
22 the Office of Public Counsel. They're sort of --  
23 they're not an agency exactly, but they -- they're  
24 part of the legislature. And they are -- their job  
25 is to represent customers in proceedings before the

1 Public Service Commission. And we can get you the  
2 phone number for their office. They participate in  
3 these proceedings and -- on behalf of customers.

4 **MR. BYRD:** What percentage of increase is  
5 this increase over the past increase?

6 **MR. SHAFER:** I don't remember exactly  
7 the -- what the --

8 **MR. DRAPER:** It's about the same.  
9 2008 was the last time the company increased their  
10 rates.

11 **MR. BYRD:** So it's increased again. But I  
12 go by percentage in my mind.

13 **MR. SHAFER:** Right. I understand what  
14 you're asking.

15 **MR. BYRD:** Just approximately.

16 **MR. SHAFER:** In this brochure, it shows  
17 you the various consumption levels of how many, you  
18 know, how many therms you use, and it'll tell you  
19 what the current rate is and what the increase will  
20 be if you use that amount of gas. And then it's --  
21 the percentage varies, but it looks like around 16  
22 percent at that level.

23 **MR. BYRD:** 16 percent over seven years,  
24 eight years?

25 **MR. SHAFER:** It might be overall a little

1 bit more than that. But, like I say, it depends on  
2 what size -- how much consumption you have.

3 **MR. DRAPER:** But there has been no  
4 increase --

5 **MR. BYRD:** That's okay. Two percent --  
6 it's about 2 percent a year, and that sure is less  
7 than what the economy is growing.

8 **MR. SHAFER:** Do you have any idea how much  
9 gas you use every month?

10 **MR. BYRD:** No. This 2 percent is what you  
11 just evoked to me, and so --

12 **MR. SHAFER:** Well, that was at this level  
13 here.

14 **MR. BYRD:** That's fine. I'm just saying  
15 that 2 percent a year is a pretty reasonable  
16 increase. If they're saying it has to be bundled up  
17 into over eight years to get a 16 percent increase  
18 --

19 **MR. MORK:** They've got -- they've got  
20 something in there that said if it's -- you've got a  
21 \$40 bill now, it'll go to \$47, the way I understand  
22 it.

23 **MR. SHAFER:** Right. That sounds about  
24 right.

25 **MR. MORK:** That's a pretty steep bill to



1 me.

2 **MR. SHAFER:** Yeah. That's more than --

3 **MS. MOURING:** Yeah. That's about  
4 16 percent.

5 **MR. SHAFER:** Yeah. That's 16, 17.

6 **MR. BYRD:** How much?

7 **MS. MOURING:** About 16 approximately.

8 **MR. MORK:** And another thing, we're  
9 supposed to be -- they're supposed to be buying gas  
10 now at a record low rate. It's never been this low  
11 before. What is going to happen to us if the price  
12 that they charge coming out of the field, when it  
13 doubles, what's going to happen to us then? Are  
14 they automatically going to pass a, like electricity  
15 does, they've got a -- what do they call that, a  
16 surcharge on it?

17 **MS. DRAPER:** Yeah. The price of the gas  
18 itself is one part of the bill, and then the price  
19 of the pipes and the system that brings the gas to  
20 your house, that's another part of the bill, and  
21 we're only talking about that part, not the price of  
22 gas. Gas is just a passthrough. There's no profit  
23 to the utility.

24 **MR. MORK:** As long as they've been  
25 bringing that gas by my house since '75, I think

1 they might have them pipes paid for. Now do they  
2 ever do that or do they always get --

3 **MR. SHOAF:** Well, you have to understand  
4 we've got to maintain it.

5 **MR. DRAPER:** And to replace it every once  
6 in a while and maintain it, yes. I mean, you can't  
7 just put a pipe in the ground and forget it's there.  
8 So it does --

9 **MR. MORK:** Well, I don't know where they  
10 maintain it because the one they put in the  
11 ground -- unless somebody comes by with one of them  
12 backhoes and digs it up, then they've got to run out  
13 there and fix it, you know.

14 **MS. DRAPER:** Well, there's inspections  
15 that need to be done and other things that the  
16 utility knows more about than --

17 **MR. SHOAF:** We have to cathodically  
18 protect it against rust; we have to keep electrical  
19 current on it; we have to constantly go out and  
20 locate it for different entities; we have to --  
21 well, just reading the meter; going through all  
22 the -- not to throw the PSC under the bus, but going  
23 through all the hoops that we have to do annually  
24 for inspections with the safety part of the Public  
25 Service Commission to maintain our lines.

1           **MR. MORK:** Well, I've lost electricity  
2 thousands of times -- or hundreds of times, but I've  
3 never lost gas but one time, and that was right in  
4 the middle of the winter, the coldest week we had.  
5 Some kind of valve they had froze up and wouldn't  
6 let the gas get by. When they found what the  
7 trouble was, they changed the valve out, I guess.  
8 But then that wasn't what took the time. Then they  
9 had to go to all the houses that had been -- that  
10 they come by and cut the gas off for safety reasons.  
11 Then they had to come by and find out if people was  
12 living in them or not. If you wasn't living in  
13 them, they didn't cut them back on. But they had to  
14 find out. They just couldn't turn it back on with  
15 all them -- you know, for gas to run out in  
16 somebody's house and blow up. And it stayed off the  
17 better part of 24 hours, the best I can remember.

18           **MR. BYRD:** I know one thing, I've got to  
19 have gas.

20           **MR. SHOAF:** Well, Mr. Byrd, I looked up  
21 your bill.

22           **MR. BYRD:** Don't say it.

23           **MR. SHOAF:** I've got a spreadsheet. Your  
24 monthly increase will be roughly about \$2.55 a  
25 month.

1           **MS. MOURING:** Me?

2           **MR. BYRD:** Well, there goes my Mickey D's  
3 hamburger.

4           **MR. SHOAF:** You'll have to stay home one  
5 night.

6           **MR. MORK:** Tell him the -- tell him what  
7 that --

8           **MR. SHOAF:** And I can -- it's -- it looks  
9 big on the paper, but we're only talking -- you have  
10 a customer charge, a delivery charge, and a fuel  
11 charge. What they were saying, the fuel charge, if  
12 gas prices triple out there, what you hear out in  
13 Texas, that item on your bill is a separate item.  
14 If we buy it for this, we sell it to you at the  
15 exact same price. There's no profit on the gas.  
16 It's a passthrough, a wash, nothing on the company.

17                   What the company is allowed to make is a  
18 combination of the customer charge and the delivery  
19 charge together. So those -- what we're -- and  
20 we're not increasing the customer -- asking to  
21 increase the customer charge. We're only asking to  
22 increase the delivery charge, which depending on  
23 which of the three classifications you're in, it  
24 could be anywhere from 50-, 70 cents. But if you're  
25 using -- if you're using a hundred therms a year, I

1 mean, like I said with Mr. Byrd, you're not talking  
2 about -- it doesn't -- it's not the percentage of  
3 what the paper looks like. Some of the highest ones  
4 are going to see -- the biggest users are going to  
5 see 7-, \$8 a month.

6 But most of them, I've looked up probably  
7 15 of them in the last three days for people, that  
8 most of them are between \$1.50 and \$4 a month, in  
9 that range. It just -- it depends on what your  
10 annual usage is. If we know that, then I can tell  
11 you pretty much exactly what that -- based on last  
12 year's number, what the increase will be.

13 **MR. BYRD:** I'm just glad that your rate of  
14 increase is not the rate of increase of the United  
15 States of America on an annual basis.

16 **UNIDENTIFIED SPEAKER:** Or the water bills.

17 **MR BYRD:** Yeah, the water.

18 **MR. SHOAF:** Well, I found out the other  
19 day also the City of Port St. Joe, their loss --  
20 they had the same thing. Their loss on Arizona  
21 Chemical was \$750,000. We lost the 284. But that  
22 is why that was a much bigger loss than what we had,  
23 but it -- I don't know if you have city water, but  
24 it has tremendously gone up since the closing of  
25 Arizona Chemical. And it really shows how important

1 industry is to our area, that it --

2 **MR. MORK:** Well, that's another thing you  
3 can charge up to St. Joe Company. They left  
4 everybody holding the bag.

5 **MR. BYRD:** They sure did.

6 **MR. MORK:** But they didn't sell it to  
7 them. They could have sold them all that mess.  
8 They give it to them to get rid of it. There wasn't  
9 no argument about it.

10 **MR. BYRD:** Somebody else had to clean it  
11 up, didn't they? That's us.

12 **MR. MORK:** Like the mill site. Somebody  
13 else cleaned it up and got it ready, and somehow or  
14 another magic happened and it automatically reverted  
15 back to St. Joe Company when it got to be an asset.

16 **MS. DRAPER:** Well, if you have -- like I  
17 said, we have extra copies of these here. If you  
18 would like to take any with you, any neighbors or  
19 friends, and they want to send us comments in.

20 But if there are no more comments, we will  
21 conclude this meeting.

22 **MS. MOURING:** Let me ask one question that  
23 I forgot.

24 **MS. DRAPER:** Okay.

25 **MS. MOURING:** On that 280 something

1 thousand they're asking for a recovery on --

2 **MR. DRAPER:** Yes.

3 **MS. MOURING:** -- is that monthly or  
4 yearly?

5 **MR. DRAPER:** That's an annual number, a  
6 yearly number, yes.

7 **MS. MOURING:** Okay. Well, that was one of  
8 my thoughts that I didn't think of.

9 **MR. DRAPER:** It's not a monthly number,  
10 no.

11 **MR. MORK:** Well, I'm just sorry that more  
12 people didn't take this thing into consideration.  
13 And I can already tell you what the outcome is going  
14 to be. It's already been cut and dried. Thank you  
15 anyway.

16 **MS. DRAPER:** Thank you for coming.

17 (Customer Meeting adjourned at 11:40 a.m.)  
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1 STATE OF FLORIDA )  
2 : CERTIFICATE OF REPORTER  
3 COUNTY OF LEON )

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5 Hearings Reporter, Hearing Reporter Services Section,  
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14 DATED this 19th day of April, 2016.

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