

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 7, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Devlin Higgins, Public Utility Analyst IV, Division of Economics

RE: Docket No. 20170265-GU, Application for approval of new depreciation rates effective January 1, 2018, by St. Joe Natural Gas Company, Inc.

Would you be so kind as to add the attached documents, titled "St. Joe's responses to staff's report" to the above referenced docket file. I appreciate it, thank you.

RECEIVED-FPSC
2018 MAY -7 AM 11:21
COMMISSION
CLERK



Serving Florida's Panhandle Since 1963

P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457

tel 850.229.8216 / fax 850.229.8392

www.stjoegas.com

April 30, 2018

Mr. Devlin Higgins
Fl Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl 32399-0850

Re: Docket No 20170265-GU - New Depreciation Rates

Data Request:

Please explain how the "Average Age Years", which are shown in column (E) were derived. Also provide a sample calculation for FERC Account 375- Building and Improvements.

Average age is a formula: Plant addition multiplied by years in service totaled and divided by total plant.

375 Building & Improvements - total average age (717,096/21394) = 33.61 avg age yrs.
Please see scheduled attached for reference.

Should you have any questions, or need further information, please do not hesitate to contact me at (850) 229-8216 x205.

Sincerely,


Debbie Stitt

Bookkeeper

dstitt@stjoegas.com

ST JOE NATURAL GAS COMPANY, INC.

Report For 2017

EXHIBIT "A"

6(a), 6(b) ORIGINAL DEPRECIATION BEFORE CHANGES

Depreciation Year End Dec. 31, 2017 Account	(A) Plant Balance	(B) Service Life Years	(C) Net Salvage %	(D) Book Reserve %	(E) Average Age Years	(F) Remaining Life Years	(G) Current Approved Depr. Rate	(H) Remaining Life Rate %	ORIGINAL 12/31/2017 (I) Reserve Balance E.O.Y.	Actual (J) Accrual Reserve Amount	Proposed (K) Accrual Reserve Amount
INTANGIBLE PLANT											
301 Organization Exp	\$3,149.10	5	0.00%	100.00%			20.0%		\$3,149.10	\$0.00	
302 Franchise	<u>\$10,000.00</u>	30	0.00%	100.00%	30		3.3%		<u>\$10,000.00</u>	<u>\$0.00</u>	
TOTAL INTANGIBLE PLANT	<u>\$13,149.10</u>			100.00%					<u>\$13,149.10</u>	<u>\$0.00</u>	<u>\$0.00</u>
DISTRIBUTION PLANT											
374 Land & Land Rights	\$178,681.70	0	0.00%	0	6.16		0.0%		\$0.00	\$0.00	
375 Building & Improvements	\$21,394.10	40	-5.00%	88.08%	33.61	6	2.7%	2.6%	\$18,843.38	\$578.00	\$566.74
376 Mains											
1. Plastic	\$1,084,121.00	40	-30.00%	68.71%	21.21	19	3.4%	3.3%	\$744,879.83	\$36,841.74	\$35,356.60
2. Steel	<u>\$3,046,098.33</u>	40	-30.00%	84.01%	26.21	14	3.3%	3.3%	<u>\$2,558,951.20</u>	<u>\$100,521.24</u>	<u>\$101,587.67</u>
378 Meas & Reg Equip. (Distribution)	\$98,892.38	35	-5.00%	57.94%	21.57	13	3.6%	3.5%	\$57,299.43	\$3,560.13	\$3,465.11
379 Meas & Reg Equip. (City Gate)	\$459,065.99	35	-5.00%	75.30%	25.24	10	3.0%	3.0%	\$345,676.74	\$13,771.98	\$13,967.59
380 Services											
1. Plastic	\$651,775.73	40	-22.00%	40.72%	17.11	23	3.4%	3.6%	\$265,382.98	\$21,810.27	\$23,141.23
2. Steel	<u>\$109,784.09</u>	50	-30.00%	116.13%	46.86	3	3.0%	4.4%	<u>\$127,488.97</u>	<u>\$3,313.25</u>	<u>\$4,849.88</u>
381 Meters	\$561,119.43	25	0.00%	56.63%	14.0	11	4.2%	3.9%	\$317,747.98	\$23,534.39	\$22,132
382 Meter Installations	\$72,441.73	40	-25.00%	79.45%	29.1	11	4.8%	4.2%	\$57,557.44	\$3,446.18	\$3,017
383 Regulators	\$190,722.79	30	0.00%	62.44%	18.8	11	3.4%	3.3%	\$119,080.66	\$6,446.09	\$6,381
384 Regulator Install.	\$33,666.73	40	-40.00%	59.21%	22.3	18	4.4%	4.6%	\$19,934.95	\$1,446.49	\$1,533
385 Industrial Meas & Reg Equipment	\$54,195.17	30	-5.00%	22.33%	6.4	24	3.8%	3.5%	\$12,104.38	\$2,059.42	\$1,901
387 Other Equipment	<u>\$13,998.38</u>	10	0.00%	99.87%	5.2	5	11.4%	0.0%	<u>\$13,979.97</u>	<u>\$1,595.82</u>	<u>\$4</u>
TOTAL DISTRIBUTION PLANT:	<u>\$6,575,957.55</u>								<u>\$4,658,927.91</u>	<u>\$218,725.00</u>	<u>\$217,902.90</u>
GENERAL PLANT											
389 Land & Land Rights	\$28,220.00		0.00%		0		0		\$0.00	0	
390 Structures & Improve.	\$156,608.73	40	0.00%	68.50%	26.0	14	2.7%	2.2%	\$107,277.49	\$4,228.44	\$3,516
391-01 Office Furniture	\$7,512.72	15	0.00%	92.39%	13.7	1	7.4%	5.7%	\$6,941.07	\$555.94	\$429
391-02 Office Devices	\$21,322.22	8	5.00%	60.45%	4.9	3	12.6%	11.3%	\$12,889.19	\$2,686.60	\$2,413
391-03 Office Computers	\$74,384.95	16	0.00%	43.25%	8.3	8	6.3%	7.4%	\$32,174.24	\$4,536.49	\$5,470
392 Transportation Equip.	\$361,305.11	7	10.00%	63.54%	4.6	2	12.9%	10.9%	\$229,572.68	\$46,608.36	\$39,300
394 Tools, Shop & Garage Equipment	\$44,854.52	20	0.00%	22.24%	4.2	16	5.5%	4.9%	\$9,974.48	\$2,049.54	\$2,214
396 Power Operated Equipment	\$94,785.42	15	5.00%	91.57%	9.2	6	6.3%	0.6%	\$86,791.72	\$5,971.48	\$558
397 Communication Equipment	<u>\$5,413.31</u>	12	0.00%	77.03%	9.2	3	8.3%	8.1%	<u>\$4,169.73</u>	<u>\$449.30</u>	<u>\$439</u>
TOTAL GENERAL PLANT:	<u>\$794,406.98</u>								<u>\$489,790.61</u>	<u>\$67,086.15</u>	<u>\$54,339.40</u>
TOTAL UTILITY PLANT	<u>\$7,383,513.63</u>								<u>\$5,161,867.61</u>	<u>\$285,811.15</u>	<u>\$272,242.30</u>

375 Building & Improvements

Yr	Add Balance	Retirements						Bal	PSC Method	Avg Age
		1964-2012	2013	2014	2015	2016	2017			
79	\$827						\$827.00	38.5	31839.5	
80	\$0						\$0.00	37.5		
81	\$790	\$790					\$0.00	36.5		
82	\$0						\$0.00	35.5		
83	\$0						\$0.00	34.5		
84	\$18,826						\$18,825.69	33.5	630660.62	
85	\$1,741						\$1,741.41	32.5	56595.825	
86	\$0						\$0.00	31.5		
87	\$0						\$0.00	30.5		
88	\$0						\$0.00	29.5		
89	\$0						\$0.00	28.5		
90	\$0						\$0.00	27.5		
91	\$0						\$0.00	26.5		
92	\$0						\$0.00	25.5		
93	\$0						\$0.00	24.5		
94	\$0						\$0.00	23.5		
95	\$0						\$0.00	22.5		
96	\$0						\$0.00	21.5		
97	\$0						\$0.00	20.5		
98	\$0						\$0.00	19.5		
99	\$0						\$0.00	18.5		
2000	\$0						\$0.00	17.5		
2001	\$0						\$0.00	16.5		
2002	\$0						\$0.00	15.5		
2003	\$0						\$0.00	14.5		
2004	\$0						\$0.00	13.5		
2005	\$0						\$0.00	12.5		
2006	\$0						\$0.00	11.5		
2007	\$0						\$0.00	10.5		
2008	\$0						\$0.00	9.5		
2009	\$0						\$0.00	8.5		
2010	\$0						\$0.00	7.5		
2011	\$0						\$0.00	6.5		
2012	\$0						\$0.00	5.5		
2013	\$0						\$0.00	4.5		
2014	\$0						\$0.00	3.5		
2015	\$0						\$0.00	2.5		
2016	\$0						\$0.00	1.5		
2017	\$0						\$0.00	0.5		
	\$22,184	\$790	\$0	\$0	\$0	\$0	\$0	\$21,394		33.61

\$22,184.10
\$21,394.10
\$790.00