

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: August 12, 2022

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Ryan Sandy, Senior Attorney, Office of the General Counsel *RPS*

RE: Docket No. 20220003-GU - Purchased gas adjustment (PGA) true-up.

Please place the memo and attached email from Ryan Sandy to Andy Shoaf in the document section of the above referenced docket file.

Thank you.

RPS/ds

From: Ryan Sandy
Sent: Friday, August 12, 2022 2:11 PM
To: 'andy@stjoegas.com' <andy@stjoegas.com>
Subject: Mid-Course Correction Questions for Saint Joe Natural Gas (No. 1-10)
Importance: High

Good Afternoon Andy,

I have reviewed St. Joe's request for a mid-course correction. After reviewing the Utility's request, I have some follow up questions.

Candidly, what I'm asking of the Utility is a heavy lift. However, getting answers to these questions is essential to getting the Utility's request in front of the Commissioners ASAP. With that in mind, I ask that St. Joe provides responses to the below questions no later than the close of business on **Tuesday, August 16, 2022.**

Please let me know as soon as you can if the Utility won't be able to meet that deadline. Of course, please call or email if the Utility needs a question clarified.

1. Please confirm when the October, 2022 billing cycle will begin.
2. Please provide two versions of a sample bill for a residential customer (taking service under the RS-2 tariff) with usage of 20 therms per month, with the first version showing an example of current charges (without the requested correction), and the second version showing an example that incorporates the proposed charges (with the requested correction, as set forth in the Revised Petition).
3. Please refer to Paragraph 7 of the Revised Petition (Page 2). Please provide the Company's under recovery percentage and related calculations.
4. Please describe how the Company has and/or will communicate with its customers about its requested mid-course correction petition, as revised on August 11, 2022 (i.e. bill impacts, pricing, reason(s) for the changes, etc.). Address in your response the timing of these communications.
5. Please refer to Paragraph 5 of the Revised Petition (Page 2), which states, in part, that the current purchased gas adjustment cap (factor) "was based on SJNG's projected purchased gas costs of \$468,236 and total sales of 689,576 therms." Please answer the following:
 - A. Please discuss the SJNG's process in August 2021 to develop its forecasted purchased gas costs for the January through December 2022 period, as appears in the Petition for Approval of Cost Recovery Factor in 2021 (the "Projection filing" for 2022). Address in your response, how, or if, the NYMEX natural gas futures prices were used in developing SJNG's actual/estimated 2021 and projected 2022 forecast of commodity costs shown on Line 4 of Schedules E1/R1 (for 2021) and E1 (for 2022).
 - B. At the time that SJNG made its projection (as referenced in Question 4(A) above), what were the monthly and 12-month average NYMEX natural gas futures prices for 2022?

- C. At the time SJNG made its mid-course correction filing, what were the re-projected monthly commodity prices for October through December, 2022 that formed the basis for the Company to request a Mid-Course Correction?
 - D. At the time that SJNG made its mid-course correction filing, what were the monthly NYMEX natural gas futures prices for October through December, 2022?
 - E. At the time that SJNG made its mid-course correction filing, what were the monthly NYMEX natural gas futures prices for January through December, 2023?
6. Paragraph 8 in the Revised Petition states, in part, that without a mid-course correction, the difference between re-projected expenses for calendar year 2022 (\$779,685) and current revenues would result in a total under-recovery balance (including 2021 and 2022 under-recoveries) of \$348,459. However, based on data in the Company's filing, this mid-course correction is requesting to recover only \$171,799 (which is the total from Line 14 in Appendix B [\$712,861] minus the total from Line 14 in Appendix A [\$541,062]).
- A. Please confirm that the incremental recovery amount related to this mid course correction is \$171,799. If not correct, please provide the correct amount with explanation.
 - B. What alternatives to the proposed mid-course correction, if any, did the Company consider for addressing the \$171,799 under-recovery?
 - C. If the Revised Petition was approved, please state the remaining true-up balances for 2021 and 2022.
7. Hypothetically, if the Commission authorized a mid-course correction to recover a 50 percent portion of the amount the Company is seeking to recovery pursuant to this Revised Petition (\$171,799 divided by 2 = \$85,900), please answer the following:
- A. Please identify what impacts such a decision would have on the Company.
 - B. Please identify what impacts such a decision would have on the Company's customers.
 - C. Please state what the remaining balance for true-up balances would be.
 - D. Please provide an "Appendix B" (similar set of schedules as provided in Revised Petition) to illustrate this hypothetical.
 - E. Please provide a sample bill for a residential customer (taking service under the RS-2 tariff) with usage of 20 therms per month, to illustrate this hypothetical.

8. Paragraph 9 of the Revised Petition (Page 3) states, in part, that a 40 percent increase in projected natural gas prices is the primary cause of the under-recovery balance. Please answer the following:
 - A. What other causes/factors played a role in the accrual of the under-recovery balance? If it is possible to quantify any of such causes/factors, please provide this information.
 - B. Provide the calculation for the 40 percent increase in projected natural gas prices.
9. Please provide all supporting schedules for Attachment A from the Revised Petition (in Excel or similar) with cell formulas intact and unlocked.
10. Please provide all supporting schedules for Attachment B from the Revised Petition (in Excel or similar) with cell formulas intact and unlocked.

Regards,

Ryan

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