

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-**

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**DATE:** April 3, 2023

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

**FROM:** Lee Smith, Public Utility Analyst IV, Division of Economics

**RE:** Docket No. 20230022-GU, Petition for approval of 2022 Depreciation Study by St. Joe Natural Gas Company, Inc.

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Would you please file the attached responses to Staff's Data Request in the above-referenced docket file? Thank you.



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March 27, 2023

Mr. Lee Smith  
Fl Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, Fl 32399-0850

Re: Docket No 20230022-GU – New Depreciation Rates

Data Requests:

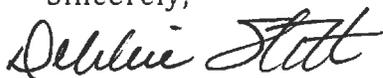
1. Please refer to SJNG's 2022 Depreciation Study, Exhibit A, page 1, titled "6(a), 6(b) Original Dep. Before Changes and page 2, titled "6(a), 6(b) Proposed Depreciation. Please explain the difference between column (G) "Current Approved Depr. Rate and column (H) "Remaining Life Rate."
  - A. Column (G) is the approved rate by the PSC  
Column (H) is a formula of:  $1 - \text{Book Reserve (d)} - \text{Net Salvage (C)} / \text{Remaining Life years (F)}$ .
2. Please refer to SJNG's 2022 Dep. Study, Exhibit A, page 1. Please explain how the Company calculated Column (F) "Remaining Life Years."
  - A. Service Life (B) less Average age (E)
3. Please explain why the Company is proposing an average age of 4.5 years for Account 396 – Power Operated Equipment on pages 1 and 2, when the

calculation on page 22 reflects an average age of 10.7 years. That would be a typo error – should have been 10.7 years.

4. Please explain why SJNG reflected a 47-yr Average Service Life (ASL) and - 25% Net Salvage value as the currently-approved values for Account 380.2 – Services – Steel on both pages.
  - A. Account 380.2 Services – Steel has a unique reserve balance since most all steel services are past the service life. SJNG would need the Service life years to be increased to at least 55 years for the ASL and remaining life rate to calculate properly.
  
5. Based on the Company's response to the previous question, will SJNG proposed values change for the ASL and Net Salvage for Account 380.2 – Services – Steel?
  - A. As stated, SJNG is continually replacing steel services. The average age is past the service life years of 47 years, so SJNG needs the Service life years for steel services to be increased to at least 55 years.
  
6. Please explain why the cells listed contain hard entered numbers instead of the weighted average age formula contained in the adjacent cells.
  - A. When SJNG filed a previous Study, those numbers were entered hard and not changed back after the study in error.
  
7. Please explain and provide the source for these amounts:
  - A. The amounts that are entered hard are correct numbers that were calculated at that time. When corrected to calculate, the ending number changes minute.

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