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FLORIDA PUBLIC SERVICE
COMMISSION
2017 AUG 18 AM 8:59
DIVISION OF
ACCOUNTING & FINANCE

August 14, 2017

Mr. Andrew L Maurey, Director
Division of Accounting & Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Preliminary Earnings Surveillance Report Ending June 2017

Please find enclosed the Earnings Surveillance Report for the twelve months ending June 30, 2017.

Sincerely,

Debbie Stitt
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY
EARNINGS SURVEILLANCE REPORT

PSC/AFA 13 (6/94)

**ST. JOE NATURAL GAS COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
June 30, 2017**

SCHEDULE 1

	(1) <u>ACTUAL</u> <u>PER BOOKS</u>	(2) <u>FPSC</u> <u>ADJUSTMENTS</u>	(3) <u>FPSC</u> <u>ADJUSTED</u>	(4) <u>PRO FORMA</u> <u>ADJUSTMENTS</u>	(5) <u>PRO FORMA</u> <u>ADJUSTED</u>
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
<u>NET OPERATING INCOME</u>	\$ 81,719	\$	\$ 81,719	\$	\$
<u>AVERAGE RATE BASE</u>	\$ 5,258,709	\$ -2,266,832	\$ 2,991,877	\$	\$
<u>AVERAGE RATE OF RETURN</u>	1.55%		2.73%		%
II. YEAR END RATE BASE (JURISDICTIONAL)					
<u></u>	\$ 5,305,517	\$ -2,367,871	\$ 2,937,646		

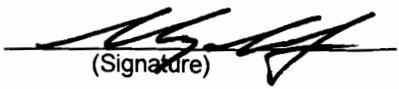
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		
	LOW	<u>4.21 %</u>
	MIDPOINT	<u>4.58 %</u>
	HIGH	<u>4.95 %</u>

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
A. INCLUDING	
FLEX RATE REVENUES	<u>6.01%</u>
B. EXCLUDING	
FLEX RATE REVENUES	<u>6.01%</u>

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Andy Shoaf, Vice-President
(Name and Title of Chief
Financial Officer)


(Signature)

8-14-17
(Date)

PSC/AFA13

ST. JOE NATURAL GAS COMPANY
YEAR END RATE BASE
JUNE 30, 2017

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>9,131,535</u>	<u>5,459,164</u>	<u>3,672,371</u>	<u> </u>	<u>96,144</u>	<u>3,768,515</u>	<u>1,537,002</u>	<u>5,305,517</u>
FPSC ADJUSTMENTS:								
PRO-RATA NON-UTILITY	-1,782,024	-435,827	-1,346,197		-64,952	-1,411,149	-50,466 -906,257	-50,466 -2,317,406
TOTAL FPSC ADJUSTMENTS	<u>-1,782,024</u>	<u>-435,827</u>	<u>-1,346,197</u>	<u> </u>	<u>-64,952</u>	<u>-1,411,149</u>	<u>-956,723</u>	<u>-2,367,872</u>
FPSC ADJUSTED	<u><u>7,349,511</u></u>	<u><u>5,023,337</u></u>	<u><u>2,326,174</u></u>	<u> </u>	<u><u>31,192</u></u>	<u><u>2,357,366</u></u>	<u><u>580,279</u></u>	<u><u>2,937,645</u></u>

**ST. JOE NATURAL GAS COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE 30, 2017**

SCHEDULE 4

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		NON-UTILITY	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	580,874	-352,957	-9,485	218,432	7.30%	6.50	0.47	6.50	0.47	6.50	0.47
SHORT TERM DEBT	0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00
OTHER DEFERRED CREDITS - GC	27,402			27,402	0.92%	0.00		0.00		0.00	
CUSTOMER DEPOSITS	84,620	-51,418	-1,382	31,820	1.06%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY	2,956,188	-1,796,273	-48,272	1,111,644	37.16%	10.00	3.72	11.00	4.09	12.00	4.46
DEFERRED INCOME TAXES	885,412			885,412	29.59%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC	712,921			712,921	23.83%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS	11,292	-6,861	-184	4,246	0.14%	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER ADVANCES FOR CONSTRUCTION	0			0	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	5,258,709	-2,207,509	-59,323	2,991,877	100.00%		4.21		4.58		4.95

YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		NON-UTILITY	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	557,798	-350,402	-7,631	199,765	6.80%	6.50	0.44	6.50	0.44	6.50	0.44
SHORT TERM DEBT	0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00
OTHER DEFERRED CREDITS - GC	27,402			27,402	0.93%	0.00		0.00		0.00	
CUSTOMER DEPOSITS	80,051	-50,287	-1,095	28,669	0.98%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY	3,039,634	-1,909,462	-41,582	1,088,589	37.06%	10.00	3.71	11.00	4.08	12.00	4.45
DEFERRED INCOME TAXES	901,624			901,624	30.69%	0.00		0.00		0.00	
OTHER DEFERRED CREDITS - FC	687,460			687,460	23.40%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS	11,548	-7,254	-158	4,136	0.14%	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER ADVANCES FOR CONSTRUCTION	0			0	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	5,305,517	-2,317,406	-50,466	2,937,645	100.00%		4.17		4.54		4.91

