



303 Long Ave, Port St Joe, FL 32456

March 28, 2024

**BY ELECTRONIC MAIL ([COMMISSIONER.LAROSA@PSC.STATE.FL.US](mailto:COMMISSIONER.LAROSA@PSC.STATE.FL.US))**

The Honorable Mike La Rosa  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 20240046-GU - Petition for rate increase by St. Joe Natural Gas Company, Inc.  
- Test Year Notification Pursuant to Rule 25-7.140, Florida Administrative Code  
(*Correction*)

Dear Chairman La Rosa:

On March 21, 2024, St. Joe Natural Gas Company, Inc. (“St. Joe” or “Company”) submitted a test year notification letter for your review in accordance with Rule 25-7.140, Florida Administrative Code. Therein, I noted that the base rates set for St. Joe in its last base rate case became effective July 17, 2008 – nearly sixteen (16) years ago.<sup>1</sup> Since that time, the Company has undertaken efficiency and cost saving measures; however, the impacts of inflation on the cost of materials and labor since the last rate proceedings have further contributed to declining returns for the Company, which are also projected to decline further in the future. I also indicated that, as a consequence, the Company estimates that an increase in gross annual revenue requirement of \$1.0 million to \$1.3 million is necessary to produce sufficient revenues to allow the Company to continue to provide the safe and reliable natural gas service our customers deserve and have come to expect. These additional revenues will enable the Company to invest in the safety of our employees, customers, and communities as well as the reliability of our natural gas distribution system, customer service operations, and the training and development of our employees. Therefore, on behalf of the Company, I submitted St. Joe’s Test Year Notification letter on March 21, 2024, along with the information required by Rule 25-7.140, Florida Administrative Code, including the Company’s intent to use a projected test year based on the 12-month period ending December 31, 2024, and our request to use the Proposed Agency Action process outlined in Section 366.06(4), Florida Statutes.

In Section C of that letter, I also addressed the Company’s intent to request interim rates. However,

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<sup>1</sup> Order No. PSC-2008-0436-PAA-GU, issued July 8, 2008, in Docket No. 20070592-GU.

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due to a scrivener's error, the incorrect historic test period was reflected for setting interim rates. The purpose of this letter is to correct that reference and to confirm that, consistent with Section 366.071, Florida Statutes, St. Joe intends to seek interim relief to allow the Company the opportunity to earn within its authorized range while its request for permanent relief is processed, based upon a historic test period of January 1 through December 31, 2023.

St. Joe submits that all other aspects of its March 21, 2024, letter remain unchanged. The Company apologizes for any confusion and asks that this letter be accepted as reflecting a minor correction that otherwise does not necessitate delaying the anticipated filing of the Company's petition and minimum filing requirements on May 20, 2024. The correction of the identified historic period for interim rates is not prejudicial to any party nor is it an express requirement of Rule 25-7.140, Florida Administrative Code.

The Company emphasizes again that it has only undertaken this request for rate relief upon thoughtful deliberation and considerable study. While the Company has made significant efforts to control its expenses, maintaining high quality service to its customers on an ongoing basis necessitates a change in its current base rates. A base rate increase is necessary in order to ensure that the Company maintains a reliable and safe natural gas system, which ultimately inures to the benefit of the Company's customers and our local communities.

Sincerely,

  
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Stuart Shoaf, President

cc: // Honorable Art Graham, Commissioner (via email)  
Honorable Gary F. Clark, Commissioner (via email)  
Honorable Andrew G. Fay, Commissioner (via email)  
Honorable Gabriella Passidomo, Commissioner (via email)  
Ana Ortega, Chief Advisor to Chairman La Rosa (via email)  
Eddie Phillips, Chief Advisor to Commissioner Fay (via email)  
Amanda Marsh, Chief Advisor to Commissioner Clark (via email)  
Jim Varian, Chief Advisor to Commissioner Graham (via email)  
Katherine Fleming, Chief Advisor to Commissioner Passidomo (via email)  
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Keith Hetrick, General Counsel (via email)  
Judy Harlow, Director/Economics (via email)  
Andrew Maurey, Director/Accounting and Finance (via email)  
Tom Ballinger, Director/Engineering (via email)  
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