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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457  
**Tel. 850.229.8216 / fax 850.229.8392**  
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February 29, 2016

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 December 2015

Please find enclosed the Preliminary Earnings Surveillance Report for the twelve months ending December 31, 2015.

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  
PRELIMINARY DECEMBER 2015**

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ -111,647	\$	\$ -111,647	\$	\$
AVERAGE RATE BASE	\$ 5,103,529	\$ -2,010,666	\$ 3,092,863	\$	\$
AVERAGE RATE OF RETURN	-2.19%		-3.61%		%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ 5,065,121	\$ -2,035,864	\$ 3,029,257		

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	LOW	MIDPOINT	HIGH	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)
	4.26 %	4.64 %	5.01 %	A. INCLUDING FLEX RATE REVENUES
				-7.22%
				B. EXCLUDING FLEX RATE REVENUES
				-7.22%

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)

  
(Date)





YEAR END RATE BASE  
PRELIMINARY DECEMBER 2015

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	8,545,048	5,139,478	3,405,570		88,498	3,494,068	1,571,054	5,065,122

FPSC ADJUSTMENTS:

PRO-RATA							-102,764	-102,764
NON-UTILITY	-1,485,250	-378,060	-1,107,190		-52,730	-1,159,920	-773,180	-1,933,100

TOTAL FPSC ADJUSTMENTS	-1,485,250	-378,060	-1,107,190		-52,730	-1,159,920	-875,944	-2,035,864
FPSC ADJUSTED	7,059,798	4,761,418	2,298,380		35,768	2,334,148	695,110	3,029,258

ST. JOE NATURAL GAS COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 PRELIMINARY DECEMBER 2015

SCHEDULE 4

	AVERAGE	PER BOOKS	ADJUSTMENTS			ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			NON-UTILITY	PRO RATA	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT		557,798	-312,037	-13,261	232,500	7.52%	6.50	0.49	6.50	0.49	6.50	0.49	
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	0.89%	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER DEPOSITS		99,786	-55,821	-2,372	41,593	1.34%	2.00	0.03	2.00	0.03	2.00	0.03	
COMMON EQUITY		2,779,510	-1,554,884	-66,079	1,158,548	37.46%	10.00	3.75	11.00	4.12	12.00	4.50	
DEFERRED INCOME TAXES		839,076			839,076	27.13%	0.00	0.00	0.00	0.00	0.00	0.00	
OTHER DEFERRED CREDITS - FC		789,304			789,304	25.52%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS		10,654	-5,960	-253	4,441	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	
<b>TOTAL</b>		<b>5,103,530</b>	<b>-1,928,702</b>	<b>-81,965</b>	<b>3,092,863</b>	<b>100.00%</b>		<b>4.26</b>		<b>4.64</b>		<b>5.01</b>	
LONG TERM DEBT	YEAR END	PER BOOKS	ADJUSTMENTS	ADJUSTED	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MIDPOINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)		
SHORT TERM DEBT		557,798	-313,928	227,182	7.50%	6.50	0.49	6.50	0.49	6.50	0.49		
OTHER DEFERRED CREDITS - GC		0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00		
CUSTOMER DEPOSITS		27,402		27,402	0.90%	0.00	0.00	0.00	0.00	0.00	0.00		
COMMON EQUITY		98,135	-55,230	39,969	1.32%	2.00	0.03	2.00	0.03	2.00	0.03		
DEFERRED INCOME TAXES		2,767,760	-1,557,691	1,127,262	37.21%	10.00	3.72	11.00	4.09	12.00	4.47		
OTHER DEFERRED CREDITS - FC		839,076		839,076	27.70%	0.00	0.00	0.00	0.00	0.00	0.00		
PROPANE DEPOSITS		763,843		763,843	25.22%	0.00	0.00	0.00	0.00	0.00	0.00		
CUSTOMER ADVANCES FOR CONSTRUCTION		11,107	-6,251	4,524	0.15%	0.00	0.00	0.00	0.00	0.00	0.00		
<b>TOTAL</b>		<b>5,065,121</b>	<b>-1,933,100</b>	<b>3,029,257</b>	<b>100.00%</b>		<b>4.24</b>		<b>4.61</b>		<b>4.98</b>		

ST. JOE NATURAL GAS COMPANY, INC.  
 EARNED RETURN ON COMMON EQUITY  
 FPSC ADJUSTED BASIS  
 PRELIMINARY DECEMBER 2015

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY INCLUDING FLEX RATE REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	-2.19	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00	%
LONG TERM DEBT	-0.49	%
CUSTOMER DEPOSITS	-0.03	%
OTHER DEFERRED CREDITS	0.00	%
SUBTOTAL	-0.52	%
TOTAL	-2.71	%
DIVIDED BY RECONCILED COMMON EQUITY RATIO	37.46	%
JURISDICTIONAL RETURN ON COMMON EQUITY	-7.22	%

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY EXCLUDING FLEX RATE REVENUES  
 SAME AS ABOVE

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN		
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	( )	%
SHORT TERM DEBT	( )	%
PREFERRED STOCK	( )	%
CUSTOMER DEPOSITS	( )	%
TAX CREDITS-WEIGHTED COST (MIDPOINT)	( )	%
SUBTOTAL	( )	%
TOTAL		
DIVIDED BY RECONCILED COMMON EQUITY RATIO		
JURISDICTIONAL RETURN ON COMMON EQUITY		