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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457

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August 21, 2018

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

Re: Earnings Surveillance Report Ending June 2018

Please find enclosed the Earnings Surveillance Report for the twelve months ending June 30, 2018.

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, 2018**

SCHEDULE 1


I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	ACTUAL PER BOOKS	(1)	ADJUSTMENTS FPSC	(2)	ADJUSTED FPSC	(3)	PRO FORMA ADJUSTMENTS	(4)	PRO FORMA ADJUSTED	(5)
NET OPERATING INCOME	\$ 155,850	\$	\$ -2,270,423	\$	\$ 155,850	\$		\$		
AVERAGE RATE BASE	\$ 5,238,771	\$		\$	2,968,348	\$		\$		
AVERAGE RATE OF RETURN	2.97%				5.25%					%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ 5,275,512	\$	\$ -2,328,110	\$	2,947,402					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	LOW	4.45 %	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	A. INCLUDING FLEX RATE REVENUES	11.97%
	MIDPOINT	4.85 %		B. EXCLUDING FLEX RATE REVENUES	11.97%
	HIGH	5.26 %			

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)

8-21-18 (Date)





**ST. JOE NATURAL GAS COMPANY**  
**YEAR END RATE BASE**  
**JUNE 30, 2018**

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE NET	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	UTILITY PLANT NET	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	9,422,771	5,790,108	3,632,663		279,516	3,912,179	1,363,332	5,275,511

FPSC ADJUSTMENTS:

PRO-RATA							-7,214	-7,214
NON-UTILITY	-1,859,208	-550,751	-1,308,457		-64,002	-1,372,459	-948,437	-2,320,896

TOTAL FPSC ADJUSTMENTS	-1,859,208	-550,751	-1,308,457		-64,002	-1,372,459	-955,651	-2,328,110
FPSC ADJUSTED	<u>7,563,563</u>	<u>5,239,357</u>	<u>2,324,206</u>		<u>215,514</u>	<u>2,539,720</u>	<u>407,681</u>	<u>2,947,401</u>



