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FLORIDA PUBLIC SERVICE  
COMMISSION

August 21, 2019

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

Re: Actual Earnings Surveillance Report Ending December 2018

Please find enclosed the Actual Earnings Surveillance Report for the twelve months ending December 31, 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**  
**YEAR END RATE BASE**  
**ACTUAL DECEMBER 31, 2018**

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(9)	(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	9,651,063	5,946,344	3,704,719		343,880	4,048,599	1,038,889	5,087,488
<b>FPSC ADJUSTMENTS:</b>								
PRO-RATA								
NON-UTILITY	-1,909,659	-614,229	-1,295,430		-74,082	-1,369,512	-863,770	-2,233,282
TOTAL FPSC ADJUSTMENTS	-1,909,659	-614,229	-1,295,430		-74,082	-1,369,512	-909,913	-2,279,425
FPSC ADJUSTED	7,741,404	5,332,115	2,409,289		269,798	2,679,087	128,976	2,808,063

ST. JOE NATURAL GAS COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 ACTUAL DECEMBER 31, 2018

SCHEDULE 4

	AVERAGE	PER BOOKS	ADJUSTMENTS			ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			NON-UTILITY	PRO RATA	NON-UTILITY			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT		458,462	-277,249	-1,898	179,315	6.09%	6.50	0.40	6.50	0.40	6.50	0.40	
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	0.00	0.00	0.00	
CUSTOMER DEPOSITS		73,292	-44,322	-303	28,666	0.97%	2.00	0.02	2.00	0.02	2.00	0.02	
COMMON EQUITY		3,195,480	-1,932,426	-13,226	1,249,827	42.48%	10.00	4.25	11.00	4.67	12.00	5.10	
DEFERRED INCOME TAXES		809,044			809,044	27.50%	0.00	0.00	0.00	0.00	0.00	0.00	
OTHER DEFERRED CREDITS - FC		636,538			636,538	21.63%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS		11,545			11,545	0.39%	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>5,211,763</b>	<b>-2,253,998</b>	<b>-15,427</b>	<b>2,942,338</b>	<b>100.00%</b>		<b>4.66</b>		<b>5.09</b>		<b>5.51</b>	
LONG TERM DEBT	YEAR END	PER BOOKS	ADJUSTMENTS	PRO RATA	ADJUSTED	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MIDPOINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)	
SHORT TERM DEBT		720,000	-418,800	-8,653	292,547	10.42%	6.50	0.68	6.50	0.68	6.50	0.68	
OTHER DEFERRED CREDITS - GC		0	0	0	0	0.00%	8.00	0.00	8.00	0.00	8.00	0.00	
CUSTOMER DEPOSITS		27,402			27,402	0.98%	0.00	0.00	0.00	0.00	0.00	0.00	
COMMON EQUITY		61,189	-35,591	-735	24,862	0.89%	2.00	0.02	2.00	0.02	2.00	0.02	
DEFERRED INCOME TAXES		3,058,268	-1,778,891	-36,755	1,242,622	44.25%	10.00	4.43	11.00	4.87	12.00	5.31	
OTHER DEFERRED CREDITS - FC		598,592			598,592	21.32%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS		611,077			611,077	21.76%	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER ADVANCES FOR CONSTRUCTION		10,962			10,962	0.39%	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>		<b>5,087,489</b>	<b>-2,233,282</b>	<b>-46,143</b>	<b>2,808,064</b>	<b>100.00%</b>		<b>5.12</b>		<b>5.56</b>		<b>6.01</b>	

**ST. JOE NATURAL GAS COMPANY, INC.**  
**EARNED RETURN ON COMMON EQUITY**  
**FPSC ADJUSTED BASIS**  
**ACTUAL DEC 2018**

**SCHEDULE 5**

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	-0.03	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00 %	
LONG TERM DEBT	-0.40 %	
CUSTOMER DEPOSITS	-0.02 %	
OTHER DEFERRED CREDITS	0.00 %	
SUBTOTAL	-0.42 %	
 TOTAL	 -0.44 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 42.48 %	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 -1.04%	

**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
RATE BASE EXCLUDING FLEX RATE REVENUES	\$	(Schedule 2, p
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		 %