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August 10, 2020

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 30, 2020

Please find enclosed for filing the Actual Earnings Surveillance Report for the twelve months ending June 30, 2020.

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, 2020**

SCHEDULE 1

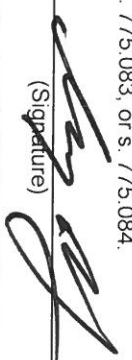
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	NET OPERATING INCOME				
		(1)	(2)	(3)	(4)
		ACTUAL	FPSC	FPSC	PRO FORMA
		PER BOOKS	ADJUSTMENTS	ADJUSTED	ADJUSTMENTS
AVERAGE RATE BASE	\$	-313,665 \$	\$	-313,665 \$	\$
AVERAGE RATE OF RETURN	\$	5,120,879 \$	-2,270,862 \$	2,850,017 \$	\$
		-6.13%		-11.01%	
II. YEAR END RATE BASE (JURISDICTIONAL)	\$	5,420,397 \$	-2,506,526 \$	2,913,871	


III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)				IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)
	LOW	5.10 %		A. INCLUDING
	MIDPOINT	5.54 %		FLEX RATE REVENUES
	HIGH	5.98 %		B. EXCLUDING
				FLEX RATE REVENUES
				-1.91%

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)

ST. JOE NATURAL GAS COMPANY
YEAR END RATE BASE
 June 30, 2020

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	10,267,085	6,391,068	3,876,017		118,944	3,994,961	1,425,435	5,420,396

FPSC ADJUSTMENTS:

PRO-RATA							-108,596	-108,596
NON-UTILITY	-2,125,250	-795,096	-1,330,154		-52,785	-1,382,939	-1,014,990	-2,397,929

TOTAL FPSC ADJUSTMENTS	-2,125,250	-795,096	-1,330,154		-52,785	-1,382,939	-1,123,586	-2,506,525
FPSC ADJUSTED	8,141,835	5,595,972	2,545,863		66,159	2,612,022	301,849	2,913,871

ST. JOE NATURAL GAS COMPANY
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS

June 30, 2020

SCHEDULE 4

	AVERAGE	ADJUSTMENTS				ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		PER BOOKS	NON-UTILITY	PRO RATA				COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	766,923	-430,602	-26,049		310,272	10.89%	6.50	0.71	6.50	0.71	6.50	0.71	
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	0.96%	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER DEPOSITS	59,884	-33,623	-2,034		24,227	0.85%	2.00	0.02	2.00	0.02	2.00	0.02	
COMMON EQUITY	2,986,991	-1,677,097	-101,457		1,208,437	42.40%	10.00	4.24	11.00	4.66	12.00	5.09	
DEFERRED INCOME TAXES	635,065				635,065	22.28%	0.00	0.00	0.00	0.00	0.00	0.00	
OTHER DEFERRED CREDITS - FC	560,155				560,155	19.65%	0.00	0.00	0.00	0.00	0.00	0.00	
PROPANE DEPOSITS	10,059				10,059	0.35%	0.00	0.00	0.00	0.00	0.00	0.00	
CENTENNIAL PROMISSORY NOTE	74,400				74,400	2.61%	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL	5,120,879	-2,141,322	-129,540		2,850,017	100.00%		4.96		5.39		5.81	

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	790,000	-490,808	-22,227		276,964	9.51%	6.50	0.62	6.50	0.62	6.50	0.62
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	0.94%	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	76,608	-47,595	-2,155		26,858	0.92%	2.00	0.02	2.00	0.02	2.00	0.02
COMMON EQUITY	2,993,075	-1,859,526	-84,213		1,049,336	36.01%	10.00	3.60	11.00	3.96	12.00	4.32
DEFERRED INCOME TAXES	666,328				666,328	22.87%	0.00	0.00	0.00	0.00	0.00	0.00
OTHER DEFERRED CREDITS - FC	534,694				534,694	18.35%	0.00	0.00	0.00	0.00	0.00	0.00
PROPANE DEPOSITS	9,890				9,890	0.34%	0.00	0.00	0.00	0.00	0.00	0.00
CENTENNIAL PROMISSORY NOTE	322,400				322,400	11.06%	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	5,420,397	-2,397,929	-108,596		2,913,872	100.00%		4.24		4.60		4.96

ST. JOE NATURAL GAS COMPANY, INC.
 EARNED RETURN ON COMMON EQUITY
 FPSC ADJUSTED BASIS
 June 30, 2020

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	-0.11	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
SHORT TERM DEBT	0.00 %	
LONG TERM DEBT	-0.71 %	
CUSTOMER DEPOSITS	-0.02 %	
OTHER DEFERRED CREDITS	0.00 %	
SUBTOTAL	-0.72 %	
 TOTAL	 -0.83 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 43.60 %	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 -1.91%	

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		 %