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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200039-GU

Petition for approval to implement
a temporary storm cost recovery
surcharge, by St. Joe Natural Gas
Company.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 7

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER ANDREW GILES FAY
COMMISSIONER MIKE LA ROSA

DATE: Tuesday, May 4, 2021

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
112 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Next up Item No.
3 7. Mr. Futrell.

4 MR. FUTRELL: Thank you.

5 Good morning, Mr. Chairman and Commissioners.

6 Item 7 is the stipulation and settlement
7 agreement between St. Joe Natural Gas Company and
8 the Office of Public Counsel that, if approved,
9 would resolve issues associated with the utility's
10 recovery of incremental storm restoration costs
11 caused by Hurricane Michael.

12 On January 24th, 2020, St. Joe Gas filed its
13 petition to recover approximately \$382,000 in
14 incremental storm restoration costs. The
15 Commission approved implementation of an interim
16 storm recovery surcharge which began on May 1st,
17 20.

18 On February 19th, 2021, St. Joe Gas requested
19 approval of a final amount of approximately
20 \$403,000 in incremental storm restoration costs.

21 The settlement agreement would allow St. Joe
22 Gas to recover approximately \$330,000 in storm
23 costs through its current storm recovery surcharge.
24 This surcharge will remain in place through
25 December 2024. Any over or under-recovery will be

1 addressed through the natural gas conservation cost
2 recovery clause.

3 The agreement also would allow for
4 approximately \$78,000 to be recorded as a
5 regulatory asset and to be recovered over 10 years
6 through an increase to the company's base rates.
7 The base rate increase would be implemented in
8 January 2025 after the storm surcharge terminates.

9 Representatives of the St. Joe Gas and the
10 Office of Public Counsel would like to address the
11 Commission, and staff is available to answer any
12 questions.

13 CHAIRMAN CLARK: Thank you, Mr. Futrell.

14 Ms. Keating, are you on the line?

15 MS. KEATING: I am. Good morning, Mr.

16 Chairman.

17 CHAIRMAN CLARK: Good morning.

18 MS. KEATING: Good morning, Mr. Chairman and
19 Commissioners.

20 I am Beth Keating with the Gunster firm here
21 today on behalf of St. Joe Gas. First, thank you
22 for the opportunity to address you this morning.

23 I would like to start by thanking the Office
24 of Public Counsel for working with us to develop
25 this settlement and bring it in for a landing

1 quickly in an effort to avoid additional costs for
2 this utility.

3 St. Joe natural gas and its customers and
4 neighbors and all of Port St. Joe took a heavy hit
5 from Hurricane Michael. This settlement goes a
6 long way to helping the company go back to the
7 business of rebuilding and serving its customers
8 without unduly impacting those same customers.
9 Approval of this settlement will also avoid the
10 additional cost of a full administrative hearing.

11 We would also like to thank your staff for
12 working with us throughout this process and for
13 their efforts to get this settlement before you in
14 an expedited fashion.

15 Commissioners, this is a good and fair
16 settlement that brings to a close a process a
17 year-and-a-half ago. The company has had interim
18 storm charges in place since May of 2020, and this
19 settlement represents an agreement between the
20 company and OPC as to the final accounting, true-up
21 and recovery of costs by the company.

22 This settlement reflects adjustments based on
23 upon your own staff's audit, as well as the give
24 and take of the parties. We believe this is a fair
25 resolution that serves the public interest, and as

1 such, we respectfully ask that you approve this
2 settlement as a full and complete resolution of the
3 outstanding issues in this docket, and allow your
4 staff to administratively approve the tariffs
5 submitted in furtherance of this settlement.

6 Thank you, Commissioners.

7 CHAIRMAN CLARK: Thank you Ms. Keating.

8 Mr. Rehwinkel.

9 MR. REHWINKEL: Good morning, Mr. Chairman and
10 Commissioners. Charlse Rehwinkel and Richard
11 Gentry on behalf of St. Joe's customers.

12 I want to echo the remarks of Ms. Keating and
13 agree with them. The Public Counsel is pleased to
14 have been able to work out a resolution of the cost
15 recovery of storm expenses and the separate
16 recovery of stranded capital costs.

17 We also appreciate the very cooperative spirit
18 in which St. Joe natural gas agreed to work to
19 implement process changes, where feasible, given
20 the very small size of the company.

21 We agreed to a mechanism also that would
22 streamline this type of cost recovery should a
23 storm like this happen again, which we fervently
24 hope is a once-in-a-lifetime occurrence.

25 The Public Counsel would like to take the

1 opportunity to thank Stuart Schoaf for working with
2 the Public Counsel to moderate impacts of this
3 terrible event on its customers. I would also like
4 to especially thank Beth Keating for her role in
5 facilitating this agreement through her
6 persistence.

7 We support the agreement as generating fair,
8 just and reasonable rates. We believe it is in the
9 public interest, and we urge your approval.

10 We also would like to especially thank your
11 staff for their work throughout the process and in
12 bringing this to the Commission on an expedited
13 basis.

14 Thank you, Commissioners.

15 CHAIRMAN CLARK: Thank you, Mr. Rehwinkel.

16 And on behalf of the Commission, I would like
17 to also thank the parties for their hard work, and
18 staff as well, for all the diligence and hard work
19 that you put into coming to this settlement
20 agreement. I know firsthand the devastation that
21 occurred in this area. I know it's been a long -- a
22 very long, hard road for, especially for St. Joe
23 Gas, and as they begin to develop and redevelop
24 their territory and make sure their customers were
25 taken care of, and I just want to thank all the

1 parties for the hard work that you put in to making
2 this settlement agreement possible.

3 Commissioners, do you have any questions
4 regarding the agreement? Any questions?

5 All right. I will entertain a motion.

6 COMMISSIONER FAY: Mr. Chairman, I would move
7 the Commission approve the joint motion for
8 approval of stipulation and settlement.

9 CHAIRMAN CLARK: Is there a second?

10 COMMISSIONER GRAHAM: Second.

11 CHAIRMAN CLARK: I have a motion and a second
12 to approve the stipulation agreement and all
13 issues.

14 Any discussion?

15 All in favor say aye.

16 (Chorus of ayes.)

17 CHAIRMAN CLARK: All opposed?

18 (No response.)

19 CHAIRMAN CLARK: And the motion carries.

20 Thank you very much.

21 All right. I believe that concludes
22 everything that is on our agenda for today. We are
23 going to adjourn this conference.

24 We are going to probably need a few minutes --
25 we need 10 minutes. I am getting a 10-finger here.

1 So we are going to reconvene at -- I can't see --
2 at five minutes until 10:00, at 9:55 we will
3 reconvene and begin our next hearing.

4 Thank you. We are adjourned.

5 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 11th day of May, 2021.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024