

ST JOE NATURAL GAS CENTER

Serving Florida's Panhandle Since 1963

P. O. Box 549 / Port St. Joe, FL 32457
301 Long Avenue / Port St. Joe, FL 32456
tel 850.229.8216 / fax 850.229.8392
www.stjoenaturalgas.com

March 5, 2008

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No.070737-GU
Depreciation Study 2007 – Initial Review

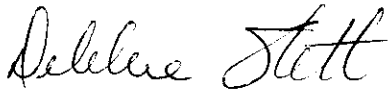
Dear Ms. Cole:

Enclosed for filing in the above referenced docket are an original and ten (10) copies of St. Joe Natural Gas Company's Initial Review Responses for the Depreciation Study 2007.

Please acknowledge receipt of these documents by stamping the extra copy of this letter which is also enclosed.

Thank you for your assistance.

Very Truly Yours,



CMP _____ Debbie Stitt
COM _____ Regulatory Analyst

CTR _____ Enclosures

ECR _____

GCL _____

OPC _____

RCA _____

SCR _____

SGA _____

SEC _____

OTH _____

RECEIVED-FPSC
08 MAR -7 AM 9:59
COMMISSION
CLERK

DOCUMENT NUMBER-DATE

01728 MAR-7 8

FPSC-COMMISSION CLERK

St Joe Natural Gas
2007 Depreciation Study
March 5, 2008

Re: Initial Review Responses

1. Acct#379, M&R Equipment (City Gate)

Q. This account shows a 2004 retirement in the amount of \$4,264 on the plant and reserves schedules, but for the calculation of the average age of plant, a retirement of \$694 was shown. Please reconcile the filed schedules.

A. This acct had the addition in 1964 and the retirement was done in 2004. Per schedule attached, the transaction was done correctly just not able to see it on the 2007 study schedule which only shows additions in 1992 and forward. See attachment.

2. Acct#387, Other Equipment

Q. For this account, the company did not include the 2007 retirement in the amount of \$1,895 as an adjustment to plant and the reserves. Staff recalculated the ending balances for plant and the reserves to be \$8,961 and \$6,062, respectively. The 2007 retirement was included in the company's calculation of plant average age. Please reconcile the filed schedules.

A. The company did not include the 2007 retirement in the amount of \$1,895 as an adjustment to plant and the reserves. The correction will be made in January 2008 to plant and reserves.

3. Acct#391-3, Office Computers

Q. Please explain the 2003 adjustment/transfer in the amount of \$67.76. If this is a transfer of reserve, please identify the receiving plant account.

A. The receiving acct for the reserve transfer of \$67.76 is Non-Utility Plant Acct# 121/393 (Computers).

4. Acct#394, Tools, Shop , & Garage Equipment

Q. A 2003 retirement from plant and the reserves occurred in the amount of \$7730.02 and \$7730, respectively. Staff's review of the account retirement history used in the calculation of the average age showed no retirements occurring for 2003. Please reconcile this account.

A. This acct had the retirements done correctly just not able to see it on the schedule included in the study which only shows additions in 1987 and forward. See attached schedule for retirement allocation on the average age schedule for 2003 with additions for 1965 - 1986. See attachment.

DOCUMENT NUMBER-DATE

01728 MAR-7 08

FPSC-COMMISSION CLERK

- Q. For this account, please explain why the reserve adjustment/transfers in the amount of \$62.16 occurred in 2003.
- A. The reserve adjustment/transfer in the amount of \$62.16 occurred to transfer plant item to Non-Utility acct#121/394 in 2003.
5. Please provide a detailed explanation for any negative adjustments/transfers, other than the ones listed, which are included in this depreciation study.
- A. In account 390, Structures & Improvements, there was a negative adjustment of \$8,294.48 which was to remove a generator that was added to plant in 2005 and expense the item. Also in account 391-1, Office Furniture, there was a negative adjustment of \$17,719.05 to transfer amount to account 390, Structures & Improvements. Also in account 392, Transportation, there was a negative adjustment of \$24,269.92 to transfer amount to Non-Utility Account 121/390, NU Transportation.

379 M & R Equipment (City Gate)

Yr	Add Balance	Retirements								Bal	PSC Method	Avg Age
		64- 97	98	99	2000	2001	2002	2003	2004			
64	\$3,570								3569.69	\$0.00	40.5	
65	\$0									\$0.00	39.5	
66	\$0									\$0.00	38.5	
67	\$0									\$0.00	37.5	
68	\$0									\$0.00	36.5	
69	\$0									\$0.00	35.5	
70	\$0									\$0.00	34.5	
71	\$0									\$0.00	33.5	
72	\$0									\$0.00	32.5	
73	\$0									\$0.00	31.5	
74	\$0									\$0.00	30.5	
75	\$0									\$0.00	29.5	
76	\$0									\$0.00	28.5	
77	\$0									\$0.00	27.5	
78	\$0									\$0.00	26.5	
79	\$0									\$0.00	25.5	
80	\$0									\$0.00	24.5	
81	\$0									\$0.00	23.5	
82	\$0									\$0.00	22.5	
83	\$0									\$0.00	21.5	
84	\$0									\$0.00	20.5	
85	\$0									\$0.00	19.5	
86	\$0									\$0.00	18.5	
87	\$0									\$0.00	17.5	
88	\$0									\$0.00	16.5	
89	\$0									\$0.00	15.5	
90	\$0									\$0.00	14.5	
91	\$0									\$0.00	13.5	
92	\$448,159									\$448,158.91	12.5	5601986
93	\$0									\$0.00	11.5	
94	\$0									\$0.00	10.5	
95	\$0									\$0.00	9.5	
96	\$694								694	\$0.00	8.5	
97	\$0									\$0.00	7.5	
98	\$0									\$0.00	6.5	
99	\$0									\$0.00	5.5	
2000	\$0									\$0.00	4.5	
2001	\$0									\$0.00	3.5	
2002	\$0									\$0.00	2.5	
2003	\$10,907									\$10,907.08	1.5	16360.62
2004	\$0									\$0.00	0.5	
	\$463,330								\$4,264	\$459,066		12.24

\$463,329.68
\$459,065.99
\$4,263.69

DEP\DEP-I

DOCUMENT NUMBER-DATE
 01728 MAR-7 8
 FPSC-COMMISSION CLERK

394 Tools, Shop & Garage Equipment

Yr	Additions Balance	Retirements								Bal	PSC Method	Avg Age
		64- 97	98	99	2000	2001	2002	2003	2004			
64	\$362	\$302.16					\$16.00	\$43.84		\$0.00	40.5	
65										\$0.00	39.5	
66										\$0.00	38.5	
67	\$387	\$194.94					\$48.08	\$144.16		\$0.00	37.5	
68	\$449	\$448.80								\$0.00	36.5	
69	\$506	\$506.26								\$0.00	35.5	
70	\$1,261	\$661.00						\$599.51		\$0.00	34.5	
71	\$614	\$614.44								\$0.00	33.5	
72	\$237	\$236.91								\$0.00	32.5	
73	\$885	\$884.80								\$0.00	31.5	
74	\$471	\$411.00						\$60.18		\$0.00	30.5	
75	\$439	\$367.00						\$72.29		\$0.00	29.5	
76	\$800	\$799.60								\$0.00	28.5	
77	\$381	\$381.42								\$0.00	27.5	
78	\$230	\$82.00					\$69.00	\$78.82		\$0.00	26.5	
79	\$2,239	\$1,430.16						\$809.21		\$0.00	25.5	
80	\$4,697	\$2,622.84					\$904.35	\$1,169.67		\$0.00	24.5	
81	\$3,903	\$1,752.29					\$871.25	\$1,279.29		\$0.00	23.5	
82	\$1,725	\$1,053.43					\$365.83	\$305.60		\$0.00	22.5	
83	\$4,107	\$2,997.70					\$410.13	\$699.33		\$0.00	21.5	
84	\$1,902	\$761.62					\$408.50	\$732.23		\$0.00	20.5	
85	\$3,703	\$1,759.88					\$206.95	\$1,735.89		\$0.00	19.5	
86	\$1,358	\$1,344.61					\$13.40			\$0.00	18.5	
87	\$2,641								\$2,640.98		17.5	
88									\$0.00		16.5	
89									\$0.00		15.5	
90									\$0.00		14.5	
91									\$0.00		13.5	
92									\$0.00		12.5	
93	\$5,385						\$2,860.94		\$2,523.82		11.5	
94	\$1,195								\$1,194.74		10.5	
95									\$0.00		9.5	
96									\$0.00		8.5	
97									\$0.00		7.5	
98	\$728								\$728.11		6.5	
99									\$0.00		5.5	
2000									\$0.00		4.5	
2001									\$0.00		3.5	
2002	\$1,623								\$1,623.13		2.5	
2003									\$0.00		1.5	
2004	\$1,504								\$1,503.60		0.5	
	\$43,732	\$19,613					\$6,174	\$7,730		\$10,214		9.53
										\$43,731.69		
										\$10,214.38		
										\$33,517.31		