



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

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April 14, 2021

**VIA E-PORTAL**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 20200039-GU - Petition For Approval of Temporary Storm Cost Recovery Surcharge to Recover Incremental Storm Restoration Costs associated with Hurricane Michael by St. Joe Natural Gas Company, Inc.**

Dear Mr. Teitzman:

Attached for electronic filing in the referenced docket, please find St. Joe Natural Gas Company's responses to staff's third data requests issued April 7, 2021.

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,

*s/Beth Keating*

Beth Keating  
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(850) 521-1706

MEK

cc:// Office of the General Counsel (Stiller)  
Office of Public Counsel (Gentry, Rehwinkel)

In re: Petition for Approval of a Temporary Storm Cost Recovery Surcharge to Recover Incremental Storm Restoration Costs associated with Hurricane Michael by St. Joe Natural Gas Company, Inc.

DOCKET NO. 20200039-GU

DATED: April 14, 2021

St. Joe Natural Gas Company's Responses to Staff's Third Data Requests

Below, please find the responses of St. Joe Natural Gas Company ("SJNG") to Staff's Third Set of Data Requests, the first regarding the proposed Settlement. The Office of Public Counsel ("OPC") has indicated its concurrence with these responses.

1. If the Joint Motion for Approval of Stipulation and Settlement agreement is approved, does the Company intend to file a revised tariff sheet No. 83 to reflect the final billing cycle change from April 2024 to December 2024? Please explain.

**Answer:** Yes. Sheet No. 83 will be revised to reflect the last billing cycle for the storm surcharge as being December 2024, rather than the currently reflected April 2024. The Company has attached the referenced, revised Sheet No. 83 to these responses.

2. Please explain how the proposed base rate increase, noted in section I (2) of the Stipulation and Settlement agreement, would impact a residential customer using an average 20 therms per months.

**Answer:** The impact of the proposed base rate increase for a residential, RS2 customer using approximately 20 therms per month would be about \$0.445/mth ( $\$0.02224 \times 20 = \$0.4448$ ). Attached hereto is a spreadsheet reflecting the calculation of the monthly impact of the proposed base rate increase for each of the residential classes of customers.

3. Please refer to Paragraphs 2 and 3 of the proposed Settlement Agreement. Please explain the following regarding the \$77,761 regulatory asset:

- a. Will this regulatory asset accrue any carrying charges during the period between the effective date of the proposed Settlement Agreement, and the anticipated base rate increase on January 1, 2025? If so, at what rate will the carrying charges accrue?

**Answer:** The regulatory asset of \$77,761, booked to FERC Account 182.2, Unrecovered Plant and Regulatory Study Costs, will have a debt only annual cost of 6.5% (.54% monthly) applied to the monthly balance until the collection of the regulatory asset is complete.

- b. Do the Parties intend to reduce rates after the 10-year amortization period of the regulatory asset has expired? If not, why?

**Answer:** Given that the 10-year amortization period will not expire for a period of 13 years, the Joint Movants have not specifically addressed this in the Stipulation and

Settlement and believe it appropriate that the Commission act, or require action, as it deems appropriate based upon the circumstances and facts in effect at the time the amortization period expires. Tariff sheet No. 84 submitted with these responses provides a projected termination date/period, which would otherwise be subject to Commission revision as it deems appropriate.

- c. If the response to 3(b) is yes, do the Parties intend to true-up the recovery amount, if so, how will the true-up be made?

**Answer:** As noted in 3(b) above, given that the 10-year amortization period will not expire for a period of 13 years, the Joint Movants have not specifically addressed this in the Stipulation and Settlement and believe it appropriate that the Commission act, or require action, as it deems appropriate based upon the circumstances and facts in effect at the time the amortization period expires. In the event that a true-up is required, the Company would suggest that an efficient mechanism would be to apply any true-up recovery to the calculation of the following year's conservation cost recovery clause factors.

4. Under the proposal to collect the remaining \$77,761 lost capital assets through base rates, is it the company's intention to revise its current rate schedules to incorporate these costs or does the Company intend to file a temporary recovery surcharge tariff (similar to tariff sheet No. 83)? Please explain.

**Answer:** Consistent with the Stipulation and Settlement, it is intended that recovery of the lost capital asset amount be accomplished through a base rate increase. As such, the Company intends to file a revised schedule reflecting the incremental amounts of the base rate increase, which should become effective January 1, 2025 and terminate after collection of the regulatory asset is complete, which is expected to be between December 31, 2034 and the end of the first quarter of 2035, depending upon therm sales in the collection period. For ease of consideration, the Company has attached the referenced revised tariff sheet No. 84 reflecting the base rate increase hereto.

5. How will the Company allocate the cost-recovery of the lost capital assets across its rate classes? Please explain.

**Answer:** The Company intends to allocate the recovery of the lost capital assets consistent with its last cost of service study approved by Order No. PSC-08-0436-PAA-GU, as modified by the rate restructuring approved by Order No. PSC-2016-0297-PAA-GU.

6. Is it the intention of the Company to have the proposed 2025 base rate tariff(s) be administratively approved by staff or will the company request approval of these tariffs through a future petition? Please explain.

**Answer:** As noted in response to Data Request No. 4 above, the tariffs reflecting the proposed base rate increase are attached to these responses. As such, the Company suggests that it would be administratively efficient for the tariff sheets to be approved with the Stipulation and Settlement, but with a delayed effective date of January 1, 2025. In the event that the Commission determines otherwise, it would be most efficient if the tariffs could be administratively approved by Commission staff once filed consistent with any

order of the Commission and following staff review to determine the consistency of the tariff sheets with the Stipulation and Settlement and the Commission's approval thereof.

**RATE SCHEDULE TEMPORARY STORM COST RECOVERY SURCHARGE**

**APPLICABILITY**

Applicable to Customers receiving Gas Service under the following rate schedule.

**DETERMINATION OF TEMPORARY STORM COST RECOVERY SURCHARGE**

The Temporary Storm Cost Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after May 1, 2020, beginning with the first or applicable billing cycle through the last billing cycle for December 31, 2024. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Cost Recovery Surcharge determined in accordance with this tariff.

**Temporary Storm Cost Recovery Surcharge factors are shown below:**

RATE CLASS	ADJUSTMENT FACTOR
	\$ Per Therm
RS-1	\$0.21038
RS-2	\$0.12684
RS-3	\$0.09689
GS-1	\$0.08345
GS-2	\$0.04014
GS-4/FTS-4	\$0.02125

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

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Issued By: Stuart L. Shoaf, President  
Issued On:

Effective:

**RATE SCHEDULE TEMPORARY STORM COST RECOVERY SURCHARGE**

**APPLICABILITY**

Applicable to Customers receiving Gas Service under the following rate schedule.

**DETERMINATION OF TEMPORARY STORM COST RECOVERY SURCHARGE**

The Temporary Storm Cost Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after May 1, 2020, beginning with the first or applicable billing cycle through the last billing cycle for December 31~~April 30~~, 2024. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Cost Recovery Surcharge determined in accordance with this tariff.

**Temporary Storm Cost Recovery Surcharge factors are shown below:**

RATE CLASS	ADJUSTMENT FACTOR
RS-1	\$21.038 cents per therm
RS-2	\$12.684 cents per therm
RS-3	\$09.689 cents per therm
GS-1	\$08.345 cents per therm
GS-2	\$04.014 cents per therm
GS-4/FTS-4	\$02.125 cents per therm

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

SJ Gas											Years		Monthly Usage	
10 Yr	Bills	Therms	Cust Chg	Dlvy Chg	Tot Cus Div	Recovery	10	Tot Rev	Rate	Factor	Rate		20 Therms	
RS1	11,587	74,858	\$150,631	\$97,026	\$247,657	\$26,175	\$2,617	10.57%	\$0.03497	1.00503	\$0.03514	RS1	\$0.70283	
RS2	10,336	135,205	\$165,376	\$117,707	\$283,083	\$29,919	\$2,992	10.57%	\$0.02213	1.00503	\$0.02224	RS2	\$0.44480	
RS3	6,228	125,676	\$124,560	\$91,566	\$216,126	\$22,842	\$2,284	10.57%	\$0.01818	1.00503	\$0.01827	RS3	\$0.36534	
GS1	1,780	44,454	\$35,600	\$29,609	\$65,209	\$6,892	\$689	10.57%	\$0.01550	1.00503	\$0.01558	GS1	\$0.31163	
GS2	285	152,893	\$19,950	\$64,703	\$84,653	\$8,947	\$895	10.57%	\$0.00585	1.00503	\$0.00588	GS2	\$0.11762	
GS4/FTS4	12	78,668	\$24,000	\$12,461	\$36,461	\$3,854	\$385	10.57%	\$0.00490	1.00503	\$0.00492	GS4/FTS4	\$0.09846	
	30,228	611,754	\$520,117	\$413,072	\$933,189	\$98,628	\$9,863							

**RATE SCHEDULE TEMPORARY LOST ASSET STORM RECOVERY FACTOR**

**APPLICABILITY**

Applicable to Customers receiving Gas Service under the following rate schedule

**DETERMINATION OF TEMPORARY LOST ASSET STORM COST RECOVERY FACTOR**

The temporary Asset Storm Cost Recovery Factor will be a per therm base rate increase per month for the bills rendered for meter readings taken after December 31, 2025, beginning with the first or applicable billing cycle and will apply until the regulatory asset approved by the Florida Public Service Commission in Docket No. 20200039-GU is recovered at which time these factors will terminate. The Customer's monthly bill for Gas Service shall be increased by the Temporary Lost Asset Storm Cost Factor determined in accordance with this tariff.

Temporary Lost Asset Storm Cost Recovery Factors are shown below:

RATE CLASS	ADJUSTMENT FACTOR
RS-1	03.514 cents per therm
RS-2	02.224 cents per therm
RS-3	01.827 cents per therm
GS-1	01.558 cents per therm
GS-2	00.588 cents per therm
GS-4/FTS-4	00.492 cents per therm



**RESERVED FOR FUTURE USE**

**RATE SCHEDULE TEMPORARY LOST ASSET STORM RECOVERY FACTOR**

APPLICABILITY

Applicable to Customers receiving Gas Service under the following rate schedule

**DETERMINATION OF TEMPORARY LOST ASSET STORM COST RECOVERY FACTOR**

The temporary Asset Storm Cost Recovery Factor will be a per therm base rate increase per month for the bills rendered for meter readings taken after December 31, 2025, beginning with the first or applicable billing cycle and will apply until the regulatory asset approved by the Florida Public Service Commission in Docket No. 20200039-GU is recovered at which time these factors will terminate. The Customer's monthly bill for Gas Service shall be increased by the Temporary Lost Asset Storm Cost Factor determined in accordance with this tariff.

Temporary Lost Asset Storm Cost Recovery Factors are shown below:

<u>RATE CLASS</u>	<u>ADJUSTMENT FACTOR</u>
<u>RS-1</u>	<u>03.514 cents per therm</u>
<u>RS-2</u>	<u>02.224 cents per therm</u>
<u>RS-3</u>	<u>01.827 cents per therm</u>
<u>GS-1</u>	<u>01.558 cents per therm</u>
<u>GS-2</u>	<u>00.588 cents per therm</u>
<u>GS-4/FTS-4</u>	<u>00.492 cents per therm</u>

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