

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 130004-GU

NATURAL GAS CONSERVATION
COST RECOVERY.

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Monday, November 4, 2013

TIME: Commenced at 9:45 a.m.
Concluded at 9:47 a.m.

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

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
3 South Monroe Street, Suite 601, Tallahassee, Florida
4 32301-1839, appearing on behalf of Chesapeake, Florida
5 Public Utilities Company, FPUC-Indiantown, and Florida
6 City Gas.

7 NORMAN H. HORTON, JR., ESQUIRE, Messer Law
8 Firm, Post Office Box 15579, Tallahassee, Florida
9 32317, appearing on behalf of Sebring Gas System, Inc.

10 J.R. KELLY, PUBLIC COUNSEL and CHARLES
11 REHWINKEL and PATRICIA CHRISTENSEN, ESQUIRES, Office of
12 Public Counsel, c/o The Florida Legislature, 111 W.
13 Madison Street, Room 812, Tallahassee, Florida
14 32393-1400, appearing on behalf of the Citizens of
15 Florida.

16 KELLY CORBARI, ESQUIRE, FPSC General Counsel's
17 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
18 32399-0850, appearing on behalf of the Florida Public
19 Service Commission Staff.

20 MARY ANNE HELTON, Deputy General Counsel, and
21 CURT KISER, General Counsel, Florida Public Service
22 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
23 Florida 32399-0850, Advisor to the Florida Public
24 Service Commission.

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I N D E X

WITNESSES

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|--|----------|
| Curtis Young (CUC) Prefiled Testimony Inserted | 11 |
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| Kandi Floyd Prefiled Testimony Inserted | 37 |
| Debbie Stitt Prefiled Testimony Inserted | 50 |
| Jerry Melendy Prefiled Testimony Inserted | 54 |

EXHIBITS

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P R O C E E D I N G S

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2 **CHAIRMAN BRISÉ:** Good morning. We'll go ahead
3 and call this hearing to order. It's our annual clause
4 hearings. And, Staff, would you read the notice,
5 please.

6 **MS. GILCHER:** By notice issued September 27,
7 2013, this time and place is set for a hearing
8 conference in the following dockets: 130001-EI,
9 130002-EG, 130003-GU, 130004-GU, and 130007-EI. The
10 purpose of the hearing conference is set out in the
11 notice.

12 **CHAIRMAN BRISÉ:** All right. Thank you. At
13 this time we will take appearances. And, staff, do we
14 have any specific instructions that we want to give with
15 respect to that?

16 **MS. GILCHER:** Staff suggests that all parties
17 give their appearances at the same time. There are five
18 dockets to address this morning. All parties should
19 enter their appearances and declare the dockets that
20 they are entering their appearance for.

21 **CHAIRMAN BRISÉ:** Okay. Thank you. All right.
22 At this time we'll take appearances.

23 **MR. BUTLER:** Good morning, Mr. Chairman. John
24 Butler and Ken Rubin. We're appearing in the 01, the
25 02, and the 07 dockets.

1 **MS. DANIELS:** Good morning, Commissioners. I
2 am Ashley Daniels appearing with Jim Beasley and Jeff
3 Wahlen of Ausley McMullen on behalf of Tampa Electric in
4 the 01, 02, and 07 dockets.

5 **CHAIRMAN BRISÉ:** Okay. Thank you.

6 **MR. STONE:** Good morning, Commissioners. I'm
7 Jeffrey A. Stone of the law firm Beggs and Lane and I'm
8 appearing on behalf of Gulf Power Company in the 01, 02,
9 and 07 dockets.

10 **CHAIRMAN BRISÉ:** Thank you.

11 **MR. REHWINKEL:** Good morning, Commissioners.
12 Charles Rehwinkel and Patricia Christensen in all
13 dockets; Joseph McGlothlin in 01 and 07. And J.R.
14 Kelly, the Public Counsel, is here.

15 **CHAIRMAN BRISÉ:** Thank you.

16 **MR. WRIGHT:** Good morning, Mr. Chairman and
17 Commissioners. Robert Scheffel Wright and John T.
18 LaVia, III, appearing on behalf of the Florida Retail
19 Federation in the fuel docket, 130001. The same
20 attorneys also appearing on behalf of DeSoto County
21 Generating Company in the ECRC docket, 130007.

22 Thank you.

23 **CHAIRMAN BRISÉ:** Thank you.

24 **MR. KEATING:** Good morning, Commissioners.
25 Beth Keating with the Gunster law firm. I'm here today

1 on behalf of FPUC in the 01 and 02 dockets; on behalf of
2 FPUC and Florida City Gas in the 03 docket; and on
3 behalf of FPUC, FPUC Indiantown, Chesapeake, and Florida
4 City Gas in the 04 docket.

5 **CHAIRMAN BRISÉ:** Thank you.

6 **MS. PUTNAL:** Good morning. I am Karen Putnal
7 with the Moyle Law Firm and appearing today on behalf of
8 Florida Industrial Power Users Group in the 01, 02, and
9 07 dockets.

10 **CHAIRMAN BRISÉ:** Thank you.

11 **MR. BREW:** Good morning, Mr. Chairman. I'm
12 James Brew. I'm appearing for White Springs
13 Agricultural Chemicals, PCS Phosphate in the 01, 02, and
14 07 dockets. And I'd like to make an appearance for
15 F. Alvin Taylor, as well.

16 **CHAIRMAN BRISÉ:** Thank you.

17 **MR. HORTON:** Mr. Chairman, Norman H. Horton,
18 Jr., appearing on behalf of Sebring Gas System in the 04
19 docket.

20 **CHAIRMAN BRISÉ:** Thank you.

21 **MS. TRIPLETT:** Good morning. Diane Triplett,
22 John Burnett, and Matt Bernier, appearing on behalf of
23 Duke Energy Florida in the 01, 02, and 07 dockets. And
24 also appearing in the 07 docket is Gary Perko. Thank
25 you.

1 **CHAIRMAN BRISÉ:** Thank you.

2 **MS. CORBARI:** Kelly Corbari appearing in the
3 04 docket.

4 **CHAIRMAN BRISÉ:** Okay.

5 **MS. GILCHER:** Julia Gilcher appearing in the
6 02 and 01 docket. I'd also like to make an appearance
7 in the 02 docket for Lee Eng Tan and in the 01 docket
8 for Martha Barrera.

9 **CHAIRMAN BRISÉ:** Thank you.

10 **MR. LAWSON:** Michael Lawson for the 03 docket.

11 **MR. MURPHY:** Charles Murphy in the 07 docket.

12 **MS. HELTON:** And, Mary Anne Helton, advisor to
13 the Commission in all of the dockets. And also here
14 today is the General Counsel, Curt Kiser.

15 **CHAIRMAN BRISÉ:** Thank you.

16 Are we missing anyone? Okay.

17 Are there any parties that have been excused
18 from the hearing?

19 **MS. GILCHER:** Yes, Chairman. There's been
20 three parties excused from the hearing today; St. Joe
21 Natural Gas Company, Peoples Gas System, and Southern
22 Alliance for Clean Energy.

23 **CHAIRMAN BRISÉ:** Okay. And it's my
24 understanding that St. Joe Natural Gas Company had an
25 interest in Docket 03 and 04?

1 **MS. GILCHER:** Correct.

2 **CHAIRMAN BRISÉ:** And Peoples Gas, 03 and 04,
3 as well.

4 **MS. GILCHER:** Correct.

5 **CHAIRMAN BRISÉ:** And Southern Alliance for
6 Clean Energy in the 02 docket.

7 **MS. GILCHER:** Correct.

8 **CHAIRMAN BRISÉ:** Okay. The order that we plan
9 to take up the dockets today is 02, 03, 04, 07, and then
10 01.

11 * * * * *

12 **CHAIRMAN BRISÉ:** Let's proceed to Docket 04.
13 Preliminary matters.

14 **MS. CORBARI:** Good morning, Mr. Chairman.

15 Staff would like to note for the record that
16 St. Joe Natural Gas Company and Peoples Gas System have
17 been excused from the hearing in the 04 docket. There
18 are proposed stipulations on all issues with OPC taking
19 no position. All witnesses have been excused, and the
20 parties have waived opening statements.

21 **CHAIRMAN BRISÉ:** Okay. Thank you.

22 Is there any prefiled testimony?

23 **MS. CORBARI:** Staff would ask that the
24 prefiled testimony of all witnesses identified in
25 Section VI of the prehearing order, Page 4, be inserted

1 into the record as though read.

2 **CHAIRMAN BRISÉ:** Okay. We will enter the
3 prefiled testimony into the record as though read.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
CHESAPEAKE UTILITIES CORPORATION -
FLORIDA DIVISION

1 Q. Please state your name and business address.

2 A. Curtis D. Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Senior
6 Regulatory Analyst.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery
9 of the Conservation costs for the period January 1, 2012
10 through December 31, 2012 as compared to the amount previously
11 reported for that period which was based on seven months actual
12 and five months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Florida division of Chesapeake
15 Utilities Corporation for January 1, 2012 through December 31,
16 2012.

DOCUMENT NUMBER-DATE

02466 MAY-2012

FPSC-COMMISSION CLERK

1 A. The Company over-recovered \$63,125 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission?

6 A. We had estimated that we would over-recover \$217,008 as of
7 December 31, 2012.

8 Q. Have you prepared any exhibits at this time?

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit CDY-3).

11 Q. Does this conclude your testimony?

12 A. Yes.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (Factor) Testimony of
Curtis D. Young
On Behalf of
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

1 **Q. Please state your name and business address.**

2 A. Curtis D. Young. My business address is 1641 Worthington Drive Suite 220,
3 West Palm Beach, Florida 33409.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company (FPUC) as the Senior
6 Regulatory Analyst.

7 **Q. Can you please provide a brief overview of your educational and
8 employment background?**

9 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have
10 been employed by FPUC since 2001. During my employment at FPUC, I have
11 performed various accounting and analytical functions including regulatory
12 filings, revenue reporting, account analysis, recovery rate reconciliations and
13 earnings surveillance. I'm also involved in the preparation of special reports
14 and schedules used internally by division managers for decision making
15 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

16 **Q. What is the purpose of your testimony at this time?**

17 A. To describe generally the expenditures made and projected to be made in
18 implementing, promoting, and operating the Company's energy conservation

1 programs. This will include recoverable costs incurred in January through
2 July 2013 and projections of program costs to be incurred August through
3 December 2013. It will also include projected conservation costs for the
4 period January through December 2014, which a calculation of the Energy
5 Conservation Cost Recovery Adjustment and Energy Conservation Cost
6 Recovery Adjustment (Experimental) factors to be applied to the customers'
7 bills during the collection period of January 1, 2014 through December 31,
8 2014.

9 **Q. Have you included descriptions and summary information on the**
10 **Conservation Programs currently approved and available to your**
11 **customers for the Florida Division of Chesapeake Utilities Corporation?**

12 A. Yes, the Company has included summaries of the approved conservation
13 programs currently available to our customers in C-4 of Exhibit CDY-6.

14 **Q. Has the Company prepared summaries of the Company's Conservation**
15 **Programs and the Costs associated with these Programs?**

16 A. Yes, the Company's Energy Conservation Manager, Kira Lake, prepared the
17 summaries of the Company's Conservation Programs and costs associated
18 with these programs in C-4 of Exhibit CDY-6.

19 **Q. What are the total projected costs for the period January 2014 through**
20 **December 2014 in the Florida Division of Chesapeake Utilities**
21 **Corporation?**

22 A. The total projected Conservation Program Costs are \$917,000. Please see
23 Schedule C-2, page 2, for the programmatic and functional breakdown of
24 these total costs.

1 **Q. What is the true-up for the period January 2013 through December**
2 **2013?**

3 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
4 Florida Division of Chesapeake Utilities Corporation is an under-recovery of
5 \$110,942.

6 **Q. What are the resulting net total projected conservation costs to be**
7 **recovered during this projection period?**

8 A. The total costs to be recovered are \$1,027,942.

9 **Q. Have you prepared a schedule that shows the calculation of the**
10 **Company's proposed Energy Conservation Cost Recovery Adjustment**
11 **factors to be applied during billing periods from January 1, 2014 through**
12 **December 31, 2014?**

13 A. Yes. Schedule C-1 of Exhibit CDY-6 shows these calculations. Net program
14 cost estimates for the period January 1, 2014 through December 31, 2014 are
15 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of
16 Exhibit CDY-6, being an under-recovery, was added to the total of the
17 projected costs for the twelve-month period. The total amount was then
18 divided among the Company's rate classes, excluding customers who are on
19 market-based rates that fall under Special Contract Services (Original Sheet
20 No. 19) and tariff rate class FTS-13, based on total projected contribution.
21 The results were then divided by the projected gas throughput for each rate
22 class for the twelve-month period ending December 31, 2014. The resulting
23 Energy Conservation Cost Recovery Adjustment factors are shown on
24 Schedule C-1, page 1 of 2 of Exhibit CDY-6.

1 **Q. Why has the Company excluded market-based rate customers from the**
2 **Energy Conservation Cost Recovery Adjustment factors?**

3 A. These customers are served either under the Special Contract Service or
4 Flexible Gas Service, because they have alternative fuel or physical bypass
5 options and are considered by Chesapeake to be "market-based rate"
6 customers. Each of these customers has viable alternatives for service;
7 therefore the negotiated and Commission-approved (in the case of Special
8 Contract Service) rates reflect the fact that only a certain level of revenues can
9 be charged to these customers. In fact, the Company has always excluded the
10 Special Contract Service and tariff rate class FTS-13 customers from the
11 ECCR recovery factors, consistent with its general rate proceedings and
12 consistent with the Applicability section of the tariff sheet for the ECCR
13 factors (Seventh Revised Sheet No. 98). The Commission has not taken issue
14 with the Company's expressed application of the factors either in the ECCR
15 Clause proceedings or in the context of any Special Contract approval.

16 **Q. Have you prepared a schedule that shows the calculation of the**
17 **Company's proposed Energy Conservation Cost Recovery Adjustment**
18 **(Experimental) factors for certain rate classes on an experimental basis to**
19 **be applied during billing periods from January 1, 2014 through**
20 **December 31, 2014?**

21 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B,
22 FTS-1, FTS-2, FTS-2.1, FTS-3 and FTS-3.1. A similar calculation as the per
23 term rate described above was made; however, the projected number of bills
24 for each rate class for the twelve-month period ending December 31, 2014

1 was utilized. The resulting Energy Conservation Cost Recovery Adjustment
2 (Experimental) factors are shown on Schedule C-1, page 2 of 2 of Exhibit
3 CDY-6.

4 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

5 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-4, which
6 have been filed with this testimony.

7 **Q. Does this conclude your testimony?**

8 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DIRECT TESTIMONY (FINAL TRUE-UP) OF MIGUEL BUSTOS
ON BEHALF OF
FLORIDA CITY GAS
DOCKET NO. 130004-GU
April 29, 2013

Q. Please state your name, business address, by whom you are employed, and in what capacity.

A. My name is Miguel Bustos and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as Energy Efficiency Program ("EEP") Program Manager, and have been with the Company for nine (9) years.

Q. Are you familiar with the energy conservation programs of Florida City Gas?

A. Yes, I am.

Q. Are you familiar with the costs that have been incurred and that are projected to be incurred by Florida City Gas in implementing its energy conservation programs?

A. Yes, I am.

1 **Q. What is the purpose of your testimony in this docket?**

2 A. To submit the recoverable costs incurred during the period ending
3 December 31, 2012, and to identify the final true-up amount related to that
4 period.

5

6 **Q. Has Florida City Gas prepared schedules which show the**
7 **expenditures associated with its energy conservation programs for**
8 **the period you have mentioned?**

9

10 A. Yes. I have prepared and filed together with this testimony Exhibit MB-1
11 consisting of Schedules CT-1, CT-2, CT-3 and CT-6.

12

13 **Q. What amount did Florida City Gas spend on conservation programs**
14 **during this period?**

15

16 A. \$3,767,579.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2012?**

20

21 A. An over-recovery of \$1,085,798.

22

23 **Q. Does this conclude your testimony?**

24

25 A. Yes, it does.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
REVISED DIRECT TESTIMONY (FINAL TRUE-UP) OF MIGUEL BUSTOS
ON BEHALF OF
FLORIDA CITY GAS
DOCKET NO. 130004-GU
May 3, 2013

Q. Please state your name, business address, by whom you are employed, and in what capacity.

A. My name is Miguel Bustos and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as Energy Efficiency Program (“EEP”) Program Manager, and have been with the Company for nine (9) years.

Q. Are you familiar with the energy conservation programs of Florida City Gas?

A. Yes, I am.

Q. Are you familiar with the costs that have been incurred and that are projected to be incurred by Florida City Gas in implementing its energy conservation programs?

A. Yes, I am.

DOCUMENT NUMBER-DATE
02483 MAY-3 2013
FPSC-COMMISSION CLERK

1 **Q. What is the purpose of your testimony in this docket?**

2 A. To submit the recoverable costs incurred during the period ending
3 December 31, 2012, and to identify the final true-up amount related to that
4 period.

5

6 **Q. Has Florida City Gas prepared schedules which show the**
7 **expenditures associated with its energy conservation programs for**
8 **the period you have mentioned?**

9

10 A. Yes. I have prepared and filed together with this testimony Exhibit MB-1
11 consisting of Schedules CT-1, CT-2, CT-3 and CT-6.

12

13 **Q. What amount did Florida City Gas spend on conservation programs**
14 **during this period?**

15

16 A. \$3,743,811.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2012?**

20

21 A. An over-recovery of \$1,109,567.

22

23 **Q. Does this conclude your testimony?**

24

25 A. Yes, it does.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
 2 REVISED DIRECT TESTIMONY (FINAL TRUE-UP) OF MIGUEL BUSTOS
 3 ON BEHALF OF
 4 FLORIDA CITY GAS
 5 DOCKET NO. 130004-GU
 6 July 24, 2013

7
 8 **Q. Please state your name, business address, by whom you are**
 9 **employed, and in what capacity.**

10
 11 A. My name is Miguel Bustos and my business address is 955 East 25th
 12 Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as
 13 Energy Efficiency Program ("EEP") Program Manager, and have been with
 14 the Company for nine (9) years.

15
 16 **Q. Are you familiar with the energy conservation programs of Florida**
 17 **City Gas?**

18
 19 A. Yes, I am.

20
 21 **Q. Are you familiar with the costs that have been incurred and that are**
 22 **projected to be incurred by Florida City Gas in implementing its**
 23 **energy conservation programs?**

24
 25 A. Yes, I am.

COM 5
 AFD 1
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 ENG 2
 GCL 1
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 CLK 1-6-13

1 **Q. What is the purpose of your testimony in this docket?**

2 A. To submit the recoverable costs incurred during the period ending
3 December 31, 2012, and to identify the final true-up amount related to that
4 period.

5

6 **Q. Has Florida City Gas prepared schedules which show the**
7 **expenditures associated with its energy conservation programs for**
8 **the period you have mentioned?**

9

10 A. Yes. I have prepared and filed together with this testimony Exhibit MB-1
11 consisting of Schedules CT-1, CT-2, CT-3 and CT-6.

12

13 **Q. What amount did Florida City Gas spend on conservation programs**
14 **during this period?**

15

16 A. \$3,743,811.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2012?**

20

21 A. An over-recovery of \$1,417,403.

22

23 **Q. Does this conclude your testimony?**

24

25 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF MIGUEL BUSTOS

ON BEHALF OF

FLORIDA CITY GAS

DOCKET NO. 130004-GU

September 10, 2013

1 **Q. Please state your name, business address, by whom you are employed, and in**
2 **what capacity.**

3
4 **A. My name is Miguel Bustos and my business address is 955 East 25th Street, Hialeah,**
5 **Florida 33013-3498. I am employed by Florida City Gas as Energy Efficiency Program**
6 **Manager. I have been with the Company for approximately 10 years.**

7
8 **Q. Are you familiar with the energy conservation programs of Florida City Gas?**

9
10 **A. Yes, I am.**

11
12 **Q. Are you familiar with the costs that have been incurred and are projected to be**
13 **incurred by Florida City Gas in implementing its energy conservation programs?**

14
15 **A. Yes, I am.**

16

1 **Q. What is the purpose of your testimony in this docket?**

2 A. To submit the conservation cost recovery true-up for the final true-up period January 1,
3 2012 through December 31, 2012, and for the actual and estimated period of January 1,
4 2013, through December 31, 2013. I will also present the total level of costs Florida
5 City Gas seeks to recover through its conservation factors during the period January 1,
6 2014 through December 31, 2014, as well as the conservation factors which, when
7 applied to our customer's bills during the period January 1, 2014 through December 31,
8 2014, will permit recovery of total ECCR costs.

9
10 **Q. What is the Company's estimated true-up for the period January 1, 2013 through**
11 **December 31, 2013?**

12
13 A. An over-recovery of \$728,253. This amount is calculated on page 4 of Schedule C-3
14 and takes into account the final true-up for the year ended December 31, 2012, which
15 was an over-recovery of \$997,839, including interest. For the period January 1, 2012
16 through December 31, 2012, the Company's revised Adjusted Net True-Up is an over-
17 recovery of \$1,417,403, as reflected in Revised Exhibit MB-1.

18
19 **Q. What is the total cost Florida City Gas seeks to recover during the period January**
20 **1, 2014 through December 31, 2014?**

21
22 A. \$4,235,123. This represents the projected costs of \$4,963,376 to be incurred during
23 2013, less the estimated true-up of \$728,253 for calendar year 2013.

1 **Q. What conservation factors does Florida City Gas need to permit recovery of these**
 2 **costs?**

3

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|----|----|---|-----------|
| 4 | A. | GS-1, GS-100, GS-220, RSG, CSG (Sales & Transportation) | \$0.13084 |
| 5 | | GS-600 (Sales & Transportation) | \$0.06551 |
| 6 | | GS-1200 (Sales & Transportation) | \$0.03874 |
| 7 | | GS-6k (Sales & Transportation) | \$0.03212 |
| 8 | | GS-25000 (Sales & Transportation) | \$0.03189 |
| 9 | | GS-60000 (Sales & Transportation) | \$0.03134 |
| 10 | | Gas Lights | \$0.06213 |
| 11 | | GS-120000 (Sales & Transportation) | \$0.02208 |
| 12 | | GS-250000 (Sales & Transportation) | \$0.01997 |

13

14 **Q. Has Florida City Gas prepared schedules to support its requested Conservation**
 15 **Cost Recovery Factor?**

16

17 A. Yes. I have prepared and filed together with this testimony Schedules C-1 through C-5
 18 as prescribed by Commission Staff.

19

20 **Q. Does this conclude your testimony?**

21

22 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Curtis D. Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Senior
6 Regulatory Analyst.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2012 through
10 December 31, 2012 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the gas divisions of Florida
15 Public Utilities Company for January 1, 2012 through December 31,
16 2012.

DOCUMENT NUMBER-DATE
02464 MAY-2 2012
FPSC-COMMISSION CLERK

1 A. The Company over-recovered \$311,201 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission?

6 A. We had estimated that we would over-recover \$282,792 as of
7 December 31, 2012.

8 Q. Have you prepared any exhibits at this time?

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit CDY-1).

11 Q. Does this conclude your testimony?

12 A. Yes.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (Projection) Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

1 **Q. Please state your name and business address.**

2 A. Curtis D. Young. My business address is 1641 Worthington Drive Suite 220,
3 West Palm Beach, Florida 33409.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company (FPUC) as Senior
6 Regulatory Analyst.

7 **Q. Can you please provide a brief overview of your background and
8 business experience?**

9 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have
10 been employed by FPUC since 2001. During my employment at FPUC, I have
11 performed various accounting and analytical functions including regulatory
12 filings, revenue reporting, account analysis, recovery rate reconciliations and
13 earnings surveillance. I'm also involved in the preparation of special reports
14 and schedules used internally by division managers for decision making
15 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

16 **Q. What is the purpose of your testimony at this time?**

17 A. To advise the Commission as to the Conservation Cost Recovery Clause

1 Calculation for the period January 2014 through December 2014.

2 **Q. Have you included descriptions and summary information on the**
3 **Conservation Programs currently approved and available to your**
4 **customers?**

5 A. Yes, the Company has included summaries of the approved conservation
6 programs currently available to our customers in C-5 of Exhibit CDY-4.

7 **Q. Were the summaries of the Company's Conservation Programs and the**
8 **Costs associated with these Programs completed under your direction or**
9 **review?**

10 A. Yes, the standard review process also included the Energy Conservation
11 Supervisor, the Director of Marketing and Sales and the Director of
12 Regulatory Affairs.

13 **Q. What are the total projected costs for the period January 2014 through**
14 **December 2014 in the Consolidated Natural Gas Division?**

15 A. The total projected Conservation Program Costs are \$3,198,000. Please see
16 Schedule C-2, page 2, for the programmatic and functional breakdown of
17 these total costs.

18 **Q. What is the true-up for the period January 2013 through December**
19 **2013?**

20 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
21 Consolidated Natural Gas Division is an over-recovery of \$118,226.

22 **Q. What are the resulting net total projected conservation costs to be**
23 **recovered during this projection period?**

24 A. The total costs to be recovered are \$3,079,774.

1 **Q. The Company is in the process of finalizing the acquisition of Fort Meade**
 2 **Natural Gas from the City of Fort Meade, does the Company want to**
 3 **adopt the FPUC Natural Gas Conservation for the customers located in**
 4 **this new area?**

5 A. Yes, the Company wants to offer the same programs currently offered in our
 6 FPUC Natural gas operations to those customers located in Fort Meade.

7 **Q. Has the Company included the projected rates, and information to**
 8 **properly allocate the cost recovery to those customers located in Fort**
 9 **Meade?**

10 A. Yes, the Company has included the projected data necessary to set appropriate
 11 rates for the customers located in Fort Meade.

12 **Q. What is the Conservation Adjustment Factor necessary to recover these**
 13 **projected net total costs?**

14 A. The Conservation Adjustment Factors per therm for the Consolidated Natural
 15 Gas Division and Fort Meade are:

| | |
|---|-----------------|
| 16 Residential | \$.09256 |
| 17 General Service & Transportation (GS1) | \$.05062 |
| 18 General Service & Transportation (GS2) | \$.04693 |
| 19 Large Volume Service | \$.03655 |
| 20 LV Service Transportation <50,000 | \$.03655 |
| 21 LV Transportation Service >50,000 | \$.03655 |
| 22 Fort Meade Residential | \$.09256 |
| 23 Fort Meade Commercial (GS&GS TRANSP) | \$.05062 |

1 Fort Meade (LV&LV TRANSP) S.03655

2 **Q. Do these charges apply to your entire natural gas customer base?**

3 A. No, the customer classes for Outdoor Lights, Interruptible and Interruptible
4 Transportation have always been exempt from the Conservation Adjustment
5 Factor due to the distinctive service provided by the Company.

6 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

7 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-5
8 (Composite Prehearing Identification Number CDY-4), which have been filed

9 with this testimony.

10 **Q. Does this conclude your testimony?**

11 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY -
INDIANTOWN DIVISION

1 Q. Please state your name and business address.

2 A. Curtis Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Senior
6 Regulatory Analyst.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2012 through
10 December 31, 2012 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Indiantown Division of Florida
15 Public Utilities Company for January 1, 2012 through December 31,
16 2012.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

- 1 A. The Company over-recovered \$12,373 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.
- 4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission?
- 6 A. We had estimated that we would over-recover \$9,774 as of December
7 31, 2012.
- 8 Q. Have you prepared any exhibits at this time?
- 9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit CDY-2).
- 11 Q. Does this conclude your testimony?
- 12 A. Yes.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (Projection/Factor) Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION

1 **Q. Please state your name and business address.**

2 A. Curtis D. Young. My business address is 1641 Worthington Drive Suite 220,
3 West Palm Beach, Florida 33409.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company (FPUC) as the Senior
6 Regulatory Analyst.

7 **Q. Can you please provide a brief overview of your educational and
8 employment background?**

9 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have
10 been employed by FPUC since 2001. During my employment at FPUC, I have
11 performed various accounting and analytical functions including regulatory
12 filings, revenue reporting, account analysis, recovery rate reconciliations and
13 earnings surveillance. I'm also involved in the preparation of special reports
14 and schedules used internally by division managers for decision making
15 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

16 **Q. What is the purpose of your testimony at this time?**

17 A. To advise the Commission as to the Conservation Cost Recovery Clause
18 Calculation for the period January 2014 through December 2014.

1 **Q. Have you included descriptions and summary information on the**
2 **Conservation Programs currently approved and available to your**
3 **customers for the Indiantown Natural Gas Division?**

4 A. Yes, the Company has included summaries of the approved conservation
5 programs currently available to our customers in C-4 of Exhibit CDY-5.

6 **Q. Has the Company prepared summaries of the Company's Conservation**
7 **Programs and the Costs associated with these Programs?**

8 A. Yes, the Company's Energy Conservation Manager, Kira Lake, prepared the
9 summaries of the Company's Conservation Programs and costs associated
10 with these programs in C-4 of Exhibit CDY-5.

11 **Q. What are the total projected costs for the period January 2014 through**
12 **December 2014 in the Indiantown Natural Gas Division?**

13 A. The total projected Conservation Program Costs are \$19,000, which includes
14 projected costs for the new proposed Conservation Programs. Please see
15 Schedule C-2, page 2, for the programmatic and functional breakdown of
16 these total costs.

17 **Q. What is the true-up for the period January 2013 through December**
18 **2013?**

19 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
20 Indiantown Natural Gas Division is an over-recovery of \$2,597.

21 **Q. What are the resulting net total projected conservation costs to be**
22 **recovered during this projection period?**

23 A. The total costs to be recovered are \$16,403.

24 **Q. What is the Conservation Adjustment Factor necessary to recover these**

1 **projected net total costs?**

2 A. The Conservation Adjustment Factors per therm for the Indiantown Natural
3 Gas Division are:

| | |
|-------------|----------|
| 4 TS1 | \$.02469 |
| 5 TS2 | \$.00429 |
| 6 TS3 | \$.01270 |
| 7 TS4 | \$.00120 |

8 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

9 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-4, which
10 have been filed with this testimony.

11 **Q. Does this conclude your testimony?**

12 A. Yes.

PEOPLES GAS SYSTEM
DOCKET NO. 130004-GU
FILED: 09/10/2013

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KANDI M. FLOYD**

5
6 **Q.** Please state your name, business address, by whom you
7 are employed, and in what capacity?

8
9 **A.** My name is Kandi M. Floyd. My business address is
10 Peoples Gas System, 702 North Franklin Street, P.O. Box
11 2562, Tampa, Florida 33601-2562. I am employed by
12 Peoples Gas System ("Peoples" or the "Company") and am
13 the Manager of State Regulatory.

14
15 **Q.** Please describe your educational and employment
16 background.

17
18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Energy Conservation Cost
3 Recovery ("ECCR") Clause and the Purchased Gas
4 Adjustment as well as various other regulatory
5 activities for Peoples.

6
7 **Q.** What is the purpose of your testimony in this docket?

8
9 **A.** My testimony addresses Peoples' conservation programs,
10 the expenses that Peoples has incurred, the revenues
11 recovered by Peoples through the ECCR clause from
12 January 2013 through August 2013, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2014.

15
16 First, my testimony describes generally the actual and
17 projected expenditures made for the purpose of
18 implementing, promoting and operating Peoples' energy
19 conservation programs for the current period. This
20 information includes the adjusted net true-up amounts
21 associated with those programs for the period January
22 2012 through December 2012. Next, my testimony
23 addresses the actual costs incurred from January 2013
24 through August 2013, and revised projections of program
25 costs that Peoples expects to incur from September 2013

1 through December 2013. In addition, my testimony
2 presents projected conservation program costs for the
3 period January 2014 through December 2014.

4
5 Finally, my testimony presents the calculation of the
6 conservation cost recovery adjustment factors to be
7 applied to customers' bills during the period beginning
8 with the first billing cycle for January 2014 and
9 continuing through the last billing cycle for December
10 2014.

11
12 **Q.** Are you sponsoring any exhibits with your testimony?

13
14 **A.** Yes. I am sponsoring two exhibits produced under my
15 direction and supervision. Exhibit ____ (KMF-1) contains
16 the conservation cost recovery true-up data for the
17 period January 2012 through December 2012, and Exhibit
18 ____ (KMF-2) contains the conservation cost recovery
19 true-up data for the period January 2013 through August
20 2013 as well as re-projected expenses for the period
21 September 2013 through December 2013. Exhibit ____ (KMF-
22 2) consists of Schedules C-1 through C-5, which contain
23 information related to the calculation of the ECCR
24 factors to be applied to customers' bills during the
25 period January 2014 through December 2014.

1 Q. Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2012 through December 2012?
4

5 A. Yes. Actual expenses for the period January 2012
6 through December 2012 are shown on Schedule CT-2, page
7 2, of Exhibit ____ (KMF-1). Schedule CT-2, page 1
8 presents a comparison of the actual program costs and
9 true-up amount to the projected costs and true-up amount
10 for the same period.
11

12 Q. What are the Company's true-up amounts for the period
13 January 2012 through December 2012?
14

15 A. As shown on Schedule CT-1 of Exhibit ____ (KMF-1), the
16 end-of-period net true-up for the period is an under-
17 recovery of \$1,339,254 including both principal and
18 interest. The projected true-up for the period, as
19 approved by Commission Order No. PSC-12-0612-FOF-GU, was
20 an under-recovery of \$1,739,156 (including interest).
21 Subtracting the projected true-up over-recovery from the
22 actual over-recovery yields the adjusted net true-up of
23 \$399,902 under-recovery (including interest).
24

25 Q. Have you prepared summaries of the Company's

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conservation programs and the projected costs associated with these programs?

A. Yes. Summaries of the Company's programs are presented in Schedule C-5 of Exhibit ____ (KMF-2).

Q. Have you prepared schedules required for the calculation of Peoples' proposed conservation adjustment factors to be applied during the billing periods from January 2014 through and including December 2014?

A. Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual expenses for the period January 2013 through August 2013 and projected expenses for the period September 2013 through December 2013.

Projected expenses for the January 2014 through December 2014 period are shown on Schedule C-2 of Exhibit ____ (KMF-2). The total annual cost projected represents a continuation of Peoples' efforts to expand the availability of natural gas throughout Florida, and to retain its existing natural gas customers. Schedule C-1 shows the calculation of the conservation adjustment factors to be applied to all customers of the Company who are subject to the factors. The estimated true-up

1 amount from Schedule C-3 (Page 4) of Exhibit____(KMF-2),
2 an under-recovery, was added to the total of the
3 projected costs for the January 2014 through December
4 2014 period. The resulting total of \$14,028,402 is the
5 expense to be recovered during calendar year 2014. This
6 total expense was then allocated to the Company's
7 affected rate classes pursuant to the methodology
8 previously approved by the Commission, divided by the
9 expected consumption of each rate class, and then
10 adjusted for the regulatory assessment fee.

11
12 Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting
13 estimated ECCR revenues and adjustment factors by rate
14 class for the period January 2014 through December 2014.
15

16 **Q.** Has Peoples included any new energy conservation program
17 costs in its 2014 projection?
18

19 **A.** Yes. Associated Gas Distributors of Florida ("AGDF")
20 filed with the Commission on June 17, 2013, its request
21 for approval of natural gas commercial energy
22 conservation programs for its member companies. AGDF is
23 a trade association that represents several investor-
24 owned natural gas utilities which are subject to the
25 Commission's jurisdiction and more recently has become

1 the primary advocate for the gas industry's energy
2 conservation and efficiency programs before the
3 Commission. As a member company of AGDF and without
4 requesting exemption, Peoples' energy conservation
5 programs are subject to the approval of the new
6 commercial programs requested in the filing. AGDF's
7 petition in Docket No. 130167-EG seeks approval from the
8 Commission to implement the new programs for natural gas
9 appliances installed or replaced in categories defined
10 as Commercial New Construction, Commercial Appliance
11 Retention and Commercial Appliance Replacement. In
12 anticipation of these new programs being approved,
13 Peoples has included a total of \$552,250 for projected
14 allowance expenditures.

15
16 **Q.** What is the current status of Docket No. 130167-EG?

17
18 **A.** At the time of this filing on September 10, 2013, the
19 docket is open pending a Commission decision, with the
20 agenda currently scheduled for September 25, 2013.

21
22 **Q.** Does this conclude your prefiled direct testimony?

23
24 **A.** Yes, it does.

25

PEOPLES GAS SYSTEM
DOCKET NO. 130004-GU
FILED: 09/13/2013

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REVISED PREPARED DIRECT TESTIMONY

OF

KANDI M. FLOYD

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6 **Q.** Please state your name, business address, by whom you
7 are employed, and in what capacity?

8
9 **A.** My name is Kandi M. Floyd. My business address is
10 Peoples Gas System, 702 North Franklin Street, P.O. Box
11 2562, Tampa, Florida 33601-2562. I am employed by
12 Peoples Gas System ("Peoples" or the "Company") and am
13 the Manager of State Regulatory.

14
15 **Q.** Please describe your educational and employment
16 background.

17
18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Energy Conservation Cost
3 Recovery ("ECCR") Clause and the Purchased Gas
4 Adjustment as well as various other regulatory
5 activities for Peoples.

6
7 **Q.** What is the purpose of your testimony in this docket?

8
9 **A.** My testimony addresses Peoples' conservation programs,
10 the expenses that Peoples has incurred, the revenues
11 recovered by Peoples through the ECCR clause from
12 January 2013 through August 2013, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2014.

15
16 First, my testimony describes generally the actual and
17 projected expenditures made for the purpose of
18 implementing, promoting and operating Peoples' energy
19 conservation programs for the current period. This
20 information includes the adjusted net true-up amounts
21 associated with those programs for the period January
22 2012 through December 2012. Next, my testimony
23 addresses the actual costs incurred from January 2013
24 through August 2013, and revised projections of program
25 costs that Peoples expects to incur from September 2013

1 through December 2013. In addition, my testimony
2 presents projected conservation program costs for the
3 period January 2014 through December 2014.

4
5 Finally, my testimony presents the calculation of the
6 conservation cost recovery adjustment factors to be
7 applied to customers' bills during the period beginning
8 with the first billing cycle for January 2014 and
9 continuing through the last billing cycle for December
10 2014.

11
12 **Q.** Are you sponsoring any exhibits with your testimony?

13
14 **A.** Yes. I am sponsoring two exhibits produced under my
15 direction and supervision. Exhibit ____ (KMF-1) contains
16 the conservation cost recovery true-up data for the
17 period January 2012 through December 2012, and Exhibit
18 ____ (KMF-2) contains the conservation cost recovery
19 true-up data for the period January 2013 through August
20 2013 as well as re-projected expenses for the period
21 September 2013 through December 2013. Exhibit ____ (KMF-
22 2) consists of Schedules C-1 through C-5, which contain
23 information related to the calculation of the ECCR
24 factors to be applied to customers' bills during the
25 period January 2014 through December 2014.

- 1 Q. Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2012 through December 2012?
4
- 5 A. Yes. Actual expenses for the period January 2012
6 through December 2012 are shown on Schedule CT-2, page
7 2, of Exhibit ____ (KMF-1). Schedule CT-2, page 1
8 presents a comparison of the actual program costs and
9 true-up amount to the projected costs and true-up amount
10 for the same period.
11
- 12 Q. What are the Company's true-up amounts for the period
13 January 2012 through December 2012?
14
- 15 A. As shown on Schedule CT-1 of Exhibit ____ (KMF-1), the
16 end-of-period net true-up for the period is an under-
17 recovery of \$1,339,254 including both principal and
18 interest. The projected true-up for the period, as
19 approved by Commission Order No. PSC-12-0612-FOF-GU, was
20 an under-recovery of \$1,739,156 (including interest).
21 Subtracting the projected true-up over-recovery from the
22 actual over-recovery yields the adjusted net true-up of
23 \$399,902 under-recovery (including interest).
24
- 25 Q. Have you prepared summaries of the Company's

1 conservation programs and the projected costs associated
2 with these programs?

3

4 **A.** Yes. Summaries of the Company's programs are presented
5 in Schedule C-5 of Exhibit ____ (KMF-2).

6

7 **Q.** Have you prepared schedules required for the calculation
8 of Peoples' proposed conservation adjustment factors to
9 be applied during the billing periods from January 2014
10 through and including December 2014?

11

12 **A.** Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
13 expenses for the period January 2013 through August 2013
14 and projected expenses for the period September 2013
15 through December 2013.

16

17 Projected expenses for the January 2014 through December
18 2014 period are shown on Schedule C-2 of Exhibit
19 ____ (KMF-2). The total annual cost projected represents
20 a continuation of Peoples' efforts to expand the
21 availability of natural gas throughout Florida, and to
22 retain its existing natural gas customers. Schedule C-1
23 shows the calculation of the conservation adjustment
24 factors to be applied to all customers of the Company
25 who are subject to the factors. The estimated true-up

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amount from Schedule C-3 (Page 4) of Exhibit ____ (KMF-2), an under-recovery, was added to the total of the projected costs for the January 2014 through December 2014 period. The resulting total of \$13,476,152 is the expense to be recovered during calendar year 2014. This total expense was then allocated to the Company's affected rate classes pursuant to the methodology previously approved by the Commission, divided by the expected consumption of each rate class, and then adjusted for the regulatory assessment fee.

Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting estimated ECCR revenues and adjustment factors by rate class for the period January 2014 through December 2014.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

1. BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2. In Re: Conservation Cost
3. Recovery Clause

Docket No. 130004-GU
Filing Date: May 1, 2013

4. _____/

5.

DIRECT TESTIMONY OF DEBBIE STITT ON
BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

6.

7. Q. Please state your name, business address, by whom you are
8. employed and in what capacity.

9. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456
10. St. Joe Natural Gas Company in the capacity of Energy
11. Conservation Analyst.

12. Q. What is the purpose of your testimony?

13. A. My purpose is to submit the expenses and revenues
14. associated with the Company's conservation programs
15. during the twelve month period ending December 31, 2012
16. and to identify the final true-up amount related to that
17. period.

18. Q. Have you prepared any exhibits in conjunction with your
19. testimony?

20. A. Yes, I have prepared and filed together with this testi-
21. mony this 2nd day of May, 2013 Schedules CT-1 through
22. CT-5 prescribed by the Commission Staff which have
23. collectively been entitled "Adjusted Net True-up for
24. twelve months ending December 31, 2012" for identi-
25. fication

DOCUMENT NUMBER-DATE
02496 MAY-6 2013
FPSC-COMMISSION CLERK

1. Q. What amount did St. Joe Natural Gas spend on conser-
2. vation programs during the period?

3. A. \$102,425.00

4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2012?

6. A. The final true-up amount for December 31, 2012 is
7. an under-recovery of \$14,063.00.

8. Q. Does this conclude your testimony?

9. A. Yes

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | | | |
|--------|-------------------|---|----------------------|
| In Re: | Conservation Cost |) | Docket No.130004-GU |
| | Recovery Clause |) | Submitted for Filing |
| | |) | September 9, 2013 |

DIRECT TESTIMONY OF DEBBIE STITT ON BEHALF OF
ST. JOE NATURAL GAS COMPANY, INC.

- 7 Q. Please state your name, business address, by whom you
8 are employed and in what capacity.
- 9 A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida
10 32456, St Joe Natural Gas Company in the capacity of
11 Energy Conservation Analyst.
- 12 Q. What is the purpose of your testimony?
- 13 A. My purpose is to submit the known and projected expenses and
14 revenues associated with SJNG's conservation programs incurred
15 in January thru August 2013 and projection costs to be incurred
16 from September 2013 through December 2013. It will also include
17 projected conservation costs for the period January 1, 2014
18 through December 31, 2014 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2014 through December 31, 2014 period.
- 21 Q. Have you prepared any exhibits in conjunction with your testimony?
- 22 A. Yes, I have prepared and filed to the Commission the 9th day of
23 September 2013 Schedule C-1 prescribed by the Commission Staff
24 which has collectively been titled Energy Conservation Adjustment
25 Summary of Cost Recovery Clause Calculation for months January

1 1, 2014 through December 31, 2014 for identification.

2 Q. What Conservation Adjustment Factor does St. Joe Natural Gas
3 seek approval through its petition for the twelve month period
4 ending December 31, 2014?

5 A. \$.23774 per therm for RS-1, \$.15696 per therm for RS-2, and
6 \$.12258 per therm for RS-3, \$0.11254 per therm for GS-1, \$0.04466
7 per therm for GS-2, and \$0.02049 per therm for GS-4/FTS-4

8 Q. Does this conclude your testimony?

9 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 130004-GU

DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

MAY 2, 2013

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System,
3 Inc., P.O. Box 8, US Highway 27 South, Sebring FL 33870

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am Vice President of Sebring Gas System, Inc. (the "Company").

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT**
7 **ENERGY CONSERVATION PROGRAMS?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My testimony presents data and summaries that describe the planned and
11 actual activities and expenses for the Company's energy conservation
12 programs incurred during the period January 2012 through December 2012. I
13 will also identify the final conservation true-up amount for the above
14 referenced period.

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1 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
3 **WITH THESE PROGRAMS?**

4 A. Yes. Summaries of the Company's four approved programs for which costs
5 were incurred during the period January 2012 through December 2012 are
6 included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential
7 New Construction Program, the Residential Appliance Replacement Program,
8 the Residential Appliance Retention Program and the Conservation Education
9 Program.

10 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
11 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
12 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

13 A. Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the
14 Company's actual conservation related expenditures for the period, along with
15 a comparison of the actual program costs and true-up to the projected costs
16 and true-up for the period.

17 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**
18 **TO ADMINISTER ITS FOUR CONSERVATION PROGRAMS FOR**
19 **THE TWELVE MONTH PERIOD ENDING DECEMBER 2012?**

20 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's
21 total 2012 programs costs were \$25,090.

1 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE**
2 **VARIANCE OF ACTUAL FROM PROJECTED COSTS BY**
3 **CATEGORIES OF EXPENSES?**

4 A. Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

5 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**
6 **MONTHS ENDING DECEMBER 2012?**

7 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an
8 overrecovery of \$10,314.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.130004-GU**

7 **September 10, 2013**

8

9

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

10

A. My name is Jerry H. Melendy, Jr. My business address is Sebring Gas System, Inc., US Highway 27 South, Sebring, FL 33870.

11

12

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

13

A. I am President of Sebring Gas Company, Inc. (the "Company").

14

Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY CONSERVATION PROGRAMS AND THE REVENUES AND COSTS THAT ARE ASSOCIATED WITH THESE PROGRAMS?

15

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18

A. Yes.

19

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?

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A. My testimony will present actual and projected expenditures and revenues related to promoting and administering the Company's energy conservation programs in 2013 and 2014. I will provide the

22

23

1 adjusted net true-up amount associated with program administration
2 for the January 2012 through December 2012 period. Actual program
3 costs are provided for the period January 1, 2013 through June 2013,
4 as well as the costs the Company expects to incur from July 1, 2013
5 through December 31, 2013. I will also indicate the total costs the
6 Company seeks to recover through its conservation factors during the
7 period January 1, 2014 through December 31, 2014. Finally, I will also
8 propose the energy conservation cost recovery factors which, when
9 applied to consumer bills during the period January 1, 2014 through
10 December 31, 2014, will permit recovery of the Company's total
11 conservation costs.

12 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
13 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
14 **WITH THESE PROGRAMS?**

15 A. Yes. Summaries of the Company's four approved programs are
16 included in Schedule C-5 of Exhibit JHM-1. Included are the
17 Residential New Construction Program, the Residential Appliance
18 Replacement Program, the Residential Appliance Retention Program
19 and the Conservation Education Program.

20 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
21 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
22 **THE CURRENT (2013) AND PROJECTED (2014) PERIODS?**

- 1 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
2 expenses for the January 2013 through June 2013 period and
3 projected expenses for the July 2013 through December 2013 period.
4 Projected expenses for the January 2014 through December 2014
5 period are included in Schedule C-2, Exhibit JHM-1.
- 6 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
7 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2014?**
- 8 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual
9 conservation revenue for the January 2013 through June 2013 period,
10 and projected conservation revenues for the July 2013 through
11 December 2013 period.
- 12 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
13 **PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013?**
- 14 A. The Company is over-recovered by \$3,902, as calculated on Schedule
15 C-3, Page 4, line 11, Exhibit JHM-1.
- 16 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO**
17 **RECOVER DURING THE PERIOD JANUARY 1, 2014 THROUGH**
18 **DECEMBER 31, 2014?**
- 19 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
20 recover \$36,198 during the referenced period. This amount represents
21 the projected costs of \$40,100 to be incurred during 2014, plus the
22 estimated true-up of (\$3,902) for calendar year 2013.

1 Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY
2 CONSERVATION COST RECOVERY FACTORS FOR EACH RATE
3 CLASS FOR THE JANUARY 2014 THROUGH DECEMBER 2014
4 PERIOD?

5 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
6 Company's proposed ECCR factors for 2014.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes.

1 **CHAIRMAN BRISÉ:** Any exhibits?

2 **MS. CORBARI:** Staff has compiled a Stipulated
3 Comprehensive Exhibit List which includes the prefiled
4 exhibits attached to the witnesses' testimony in this
5 case, as well as staff's stipulated composite exhibit.
6 The list has been provided to the parties,
7 Commissioners, and the court reporter.

8 The exhibit is marked as the first hearing
9 exhibit, and the other exhibits should be marked as set
10 forth in the Comprehensive Exhibit List. Staff would
11 ask to move Exhibits 1 through 14 into the record as set
12 forth in the Comprehensive Exhibit List.

13 **CHAIRMAN BRISÉ:** Okay. At this time we will
14 move Exhibits 1 through 14 into the record as set forth
15 in the Comprehensive Exhibit List.

16 (Exhibits 1 through 14 marked for
17 identification and admitted into the record.)

18 **CHAIRMAN BRISÉ:** All right. Now it's decision
19 time. Commissioners, any questions or comments, or are
20 we ready to entertain a motion?

21 Commissioner Edgar, I'm sorry.

22 **COMMISSIONER EDGAR:** That's okay. Thank you,
23 Mr. Chairman.

24 I move approval of proposed stipulations for
25 Issues 1 through 4 for this docket.

1 **COMMISSIONER GRAHAM:** Second.

2 **CHAIRMAN BRISÉ:** Okay. It has been moved and
3 seconded.

4 Any further comments or questions?

5 Seeing none, all in favor say aye.

6 (Vote taken.)

7 **CHAIRMAN BRISÉ:** All right. Thank you very
8 much.

9 Are there any other matters that need to be
10 addressed in Docket Number 04?

11 **MS. CORBARI:** There are no other matters.

12 Since the Commission has made a bench
13 decision, post-hearing filings are not necessary. A
14 final order will be issued by December 1st.

15 **CHAIRMAN BRISÉ:** Okay. Thank you very much.
16 We will adjourn Docket 04 at this time.

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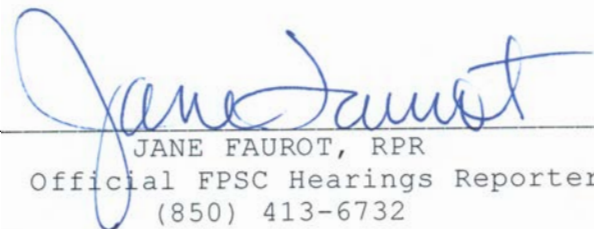
1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4
5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk, do
7 hereby certify that the foregoing proceeding was heard
8 at the time and place herein stated.

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

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

19 DATED THIS 7th day of November, 2013.

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JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732