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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457  
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August 21, 2014

Carlotta S. Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 140004-GU

RECEIVED-FPSC  
14 AUG 27 AM 9:10  
COMMISSION  
CLERK

Dear Ms. Stauffer:

Enclosed for filing in the above referenced docket are the original and seven (7) copies of St Joe Natural Gas Company's Petition for approval of its Conservation Cost Recovery Factor to be applied to customer bills during the twelve month period ending December 31, 2015.

1. Schedules C-1 through C-4
2. Direct Testimony of Debbie Stitt

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

Thank you for your assistance.

Very truly yours,

Debbie Stitt  
Energy Conservation Analyst

COM	5
AFD	_____
APA	_____
ECO	1
ENG	_____
GCL	_____
IDM	_____
TEL	_____
CLK	1 ct.rep

Enclosures



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Thank you for your assistance.

Very truly yours,

Debbie Stitt  
Energy Conservation Analyst

Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost )  
Recovery Clause )  
\_\_\_\_\_ )

Docket No. 140004-GU  
Submitted for filing  
August 21, 2014

PETITION OF ST JOE NATURAL GAS COMPANY, INC.  
FOR APPROVAL OF PROPOSED CONSERVATION COST  
RECOVERY CHARGES  
=====

St. Joe Natural Gas Company, Inc. ("SJNG") by and through its undersigned officer, hereby petitions the Commission for approval of its proposed conservation cost recovery factors and amounts as further identified below. In support hereof the company states:

1. The Name of the petitioner and the mailing address of its principal office is:

St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, Florida 32457-0549

2. The name and mailing address of the person authorized to receive notices and communications to this petition is:

Debbie Stitt, Energy Conservation Analyst  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, Florida 32457-0549

3. Pursuant to the requirements of this docket, SJNG has prepared testimony and the conservation true-up forms supplied by the Commission Staff in a manner consistent with the Staff's instructions.

4. The Conservation Cost Recovery Factor was calculated in accordance with the methodology which has been previously approved by the Commission in this docket. The factor is designed to recover the projected conservation program expenses of **SJNG** for the twelve month period ending December 31, 2015 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2014), as well as interest calculated in accordance with the methodology established by the Commission.

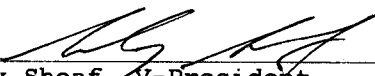
5. **SJNG** projects total conservation program expenses, net of all programs revenue of \$75,325 for the twelve month period ending December 31, 2015. The estimated net true-up for the twelve months ending December 31, 2014 is an **under-recovery** of \$38,232. After increasing the projected conservation expenses by the amount of this **under-recovery**, a total of \$113,557 remains to be collected during the twelve months ending December 31, 2015. Dividing this total by the projected sales for the period by 1,382,719 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.23810 per therm for RS-1, \$0.15181 per therm for RS-2, \$0.11480 per therm for RS-3, \$0.11064 per therm for GS-1, \$0.04696 per therm for GS-2, and \$0.02125 per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.  
Docket No. 140004-GU  
August 21, 2014  
Page 3

The calculation of these factors per therm is contained in the Commission prescribed worksheets filed with this petition.

WHEREFORE, **St. Joe Natural Gas Company, Inc.** requests that this Commission enter its order approving the above conservation cost recovery factors to be applied to the appropriate customer bills during the twelve month period ending December 31, 2015 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 21st day of August 2014.

  
\_\_\_\_\_  
Andy Shoaf, V-President  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, Florida 32457-0549  
(850) 229-8216 x208

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost )  
Recovery Clause )  
\_\_\_\_\_ )

Docket No.140004-GU  
Submitted for Filing  
August 21, 2014

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

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

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

Q. What is the purpose of your testimony?

A. My purpose is to submit the known and projected expenses and revenues associated with SJNG's conservation programs incurred in January thru July 2014 and projection costs to be incurred from August 2014 through December 2014. It will also include projected conservation costs for the period January 1, 2015 through December 31, 2015 with a calculation of the conservation adjustment factors to be applied to the customers' bills during the January 1, 2015 through December 31, 2015 period.

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

A. Yes, I have prepared and filed to the Commission the 21st day of August 2014 Schedule C-1 prescribed by the Commission Staff which has collectively been titled Energy Conservation Adjustment Summary of Cost Recovery Clause Calculation for months January

1 1, 2015 through December 31, 2015 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, 2015?

5 A. \$.23810 per therm for RS-1, \$.15181 per therm for RS-2, and  
6 \$.11480 per therm for RS-3, \$.11064 per therm for GS-1, \$.04696  
7 per therm for GS-2, and \$.02125 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

In Re: Conservation Cost )  
Recovery )  
\_\_\_\_\_ )

Docket No. 140004-GU  
Submitted for Filing  
August 21, 2014

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing  
Testimony have been served upon all known parties of record in this docket by  
U.S. Mail dated this 21st day of August 2014.

Sebring Gas System, Inc.  
Jerry H. Melendy, Jr.  
3515 U.S. Hwy 27 South  
Sebring, Fl 33870

Norman Horton, Esq.  
Messer Law Firm  
PO Box 15579  
Tallahassee, Fl. 32317

Ansley Watson, Jr. Esq.  
MacFarlane Law Firm  
PO Box 1531  
Tampa, Fl. 33601-1531

Gunster Law Firm  
Beth Keating  
215 S Monroe St., Ste. 618  
Tallahassee, Fl 32301

Fl. Div. Of Chesapeake  
Cheryl Martin  
P.O. Box 3395  
West Palm Beach, Fl. 33402-3395

Office of Public Counsel  
J.R. Kelly/C. Rehwinkel  
111 W. Madison St, Rm. 812  
Tallahassee, Fl. 32399-1400

Fl Public Utilities Co  
Cheryl Martin  
1641 Worthington Rd., Ste 220  
West Palm Beach, Fl. 33409-6703

Peoples Gas System  
Paula Brown  
PO Box 111  
Tampa, Fl 33601-0111

AGL Resources Inc.  
Elizabeth Wade/Brian Sulmonetti  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Florida City Gas  
Carolyn Bermudez  
955 East 25<sup>th</sup> St  
Hialeah, Fl 33013-3403



ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2015 THROUGH DECEMBER 2015

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	75,325
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	38,232
3. TOTAL (LINE 1 AND LINE 2)	113,557

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS-1	11,547	91,524	150,111	64,470	214,581	21,683	10.10477%	0.23691	1.00503	0.23810
RS-2	11,350	195,780	181,600	111,064	292,664	29,573	10.10477%	0.15105	1.00503	0.15181
RS-3	9,522	303,933	190,440	153,124	343,564	34,716	10.10477%	0.11422	1.00503	0.11480
GS-1	2,042	62,866	40,840	27,649	68,489	6,921	10.10477%	0.11009	1.00503	0.11064
GS-2	424	205,508	29,680	65,354	95,034	9,603	10.10477%	0.04673	1.00503	0.04696
FTS4/GS-4	24	523,108	48,000	61,460	109,460	11,061	10.10477%	0.02114	1.00503	0.02125
FTS-5	0	0	0	0	0	0	10.10477%	#DIV/0!	1.00503	#DIV/0!
TOTAL	34,909	1,382,719	640,671	483,122	1,123,793	113,557				



ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2015 THROUGH DECEMBER 2015

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	13,550	0	0	0	13,550
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	11,725	0	0	0	11,725
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	50,050	0	0	0	50,050
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,325</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2014 THROUGH DECEMBER 2014

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	16,350	0	0	0	16,350
B. ESTIMATED	0	0	0	0	4,400	0	0	0	4,400
TOTAL	0	0	0	0	20,750	0	0	0	20,750
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	17,975	0	0	0	17,975
B. ESTIMATED	0	0	0	0	7,000	0	0	0	7,000
TOTAL	0	0	0	0	24,975	0	0	0	24,975
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	46,150	0	0	0	46,150
B. ESTIMATED	0	0	0	0	20,000	0	0	0	20,000
TOTAL	0	0	0	0	66,150	0	0	0	66,150
4 OUTSIDE SERVICES									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	0	0	0	111,875	0	0	0	111,875

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2014 THROUGH DECEMBER 2014

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	111,875	0	0	0	111,875
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,875</u>



ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2014 THROUGH DECEMBER 2014

	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-22,327	-21,525	-14,374	-10,444	-7,505	-7,158	-5,582	-6,628	-6,301	-5,467	-7,618	-11,571	-126,499
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-22,327	-21,525	-14,374	-10,444	-7,505	-7,158	-5,582	-6,628	-6,301	-5,467	-7,618	-11,571	-126,499
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	52,833
CONSERVATION REVS. APPLIC. TO PERIOD	-17,924	-17,123	-9,971	-6,041	-3,102	-2,756	-1,179	-2,225	-1,898	-1,064	-3,215	-7,168	-73,666
CONSERVATION EXPS. (FORM C-3, PAGE 3)	11,150	8,275	11,650	9,950	9,275	2,200	20,125	7,850	7,850	7,850	7,850	7,850	111,875
TRUE-UP THIS PERIOD	-6,774	-8,848	1,679	3,909	6,173	-556	18,946	5,625	5,952	6,786	4,635	682	38,209
INTEREST THIS PERIOD (C-3,PAGE 5)	3	2	1	1	1	1	2	2	2	2	2	2	23
TRUE-UP & INT. BEG. OF MONTH	52,833	41,659	28,410	25,688	25,196	26,967	22,010	36,555	37,779	39,330	41,716	41,950	
PRIOR TRUE-UP COLLECT./(REFUND.)	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	-4,403	
END OF PERIOD TOTAL NET TRUE-UP	41,659	28,410	25,688	25,196	26,967	22,010	36,555	37,779	39,330	41,716	41,950	38,232	38,232

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2014 THROUGH DECEMBER 2014

	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	52,833	41,659	28,410	25,688	25,196	26,967	22,010	36,555	37,779	39,330	41,716	41,950	
END. T-UP BEFORE INT.	41,656	28,409	25,687	25,194	26,966	22,009	36,553	37,777	39,328	41,713	41,948	38,229	
TOT. BEG. & END. T-UP	94,489	70,067	54,097	50,882	52,161	48,976	58,563	74,332	77,107	81,044	83,663	80,179	
AVERAGE TRUE-UP	47,244	35,034	27,049	25,441	26,081	24,488	29,282	37,166	38,554	40,522	41,832	40,090	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.08%	0.07%	0.06%	0.06%	0.05%	0.05%	0.06%	0.07%	0.07%	0.07%	0.07%	0.07%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.07%	0.06%	0.06%	0.05%	0.05%	0.06%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	
TOTAL	0.15%	0.13%	0.12%	0.11%	0.10%	0.11%	0.13%	0.14%	0.14%	0.14%	0.14%	0.14%	
AVG INTEREST RATE	0.08%	0.07%	0.06%	0.06%	0.05%	0.06%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	
MONTHLY AVG. RATE	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
INTEREST PROVISION	\$3	\$2	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$23



PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

PROGRAM DESCRIPTION:

This program is designed to increase the number of high priority firm natural gas customers in the new construction market. Incentives are offered in the form of cash allowances to assist builders in defraying the additional costs associated with natural gas appliance installations.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$500.00
GAS WATER HEATING	\$350.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$150.00
GAS TANKLESS W/HEATER	\$550.00
	<u>\$1,650.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2014 THROUGH DECEMBER 2015

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	3	10	11	10	22
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	8	7	7	7	10

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2014 - DECEMBER 2015

JANUARY 14 - JULY 14	ACTUAL EXPENSES	16,350.00
AUGUST 14 - DECEMBER 14	ESTIMATED EXPENSES	4,400.00
JANUARY 2015 - DECEMBER 2015	ESTIMATED EXPENSES	13,550.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired.

PROGRAM TITLE: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION: This program is designed to promote the replacement of electric resistance appliances with energy efficient natural gas heaters, water heaters, air conditioners, dryers, ranges and tankless water heaters. Incentives are offered in the form of cash allowances to assist in defraying the additional costs in purchasing and installing natural gas appliances.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$725.00
GAS WATER HEATING	\$500.00
GAS CLOTHES DRYER	\$150.00
GAS RANGE	\$200.00
GAS TANKLESS W/HEATER	\$675.00
	<u>\$2,250.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2014 THROUGH DECEMBER 2015

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	10	5	7	9	20
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	5	1	5	5	10

PROGRAM FISCAL EXPENSES FOR: JANUARY 2014 THROUGH DECEMBER 2015

JANUARY 14 - JULY 14	ACTUAL EXPENSES	17,975.00
AUGUST 14 - DECEMBER 14	ESTIMATED EXPENSES	7,000.00
JANUARY 2015 - DECEMBER 2015	ESTIMATED EXPENSES	11,725.00

PROGRAM PROGRESS SUMMARY: Replacement of electric appliances with natural gas appliances continues to be well received by ratepayers in St Joe Natural Gas Company's service territory.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$500.00
GAS WATER HEATING	\$350.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$550.00
	<u>\$1,600.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2014 - DECEMBER 2015

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	115	22	17	22	20
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	105	10	10	18	10

PROGRAM FISCAL EXPENSES FOR: JANUARY 2014 THROUGH DECEMBER 2015

JANUARY 14 - JULY 14	ACTUAL EXPENSES	46,150.00
AUGUST 14 - DECEMBER 14	ESTIMATED EXPENSES	20,000.00
JANUARY 2015 - DECEMBER 2015	ESTIMATED EXPENSES	50,050.00

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain an existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.