

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240004-GU

In re: Natural gas conservation
cost recovery.

_____ /

PROCEEDINGS: HEARING

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

DATE: Tuesday, November 5, 2023

TIME: Commenced: 10:00 a.m.
Concluded: 11:54 a.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
3 South Monroe Street, Suite 601, Tallahassee, Florida
4 32301; CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe
5 Boulevard, Juno Beach, Florida 33408-2863; appearing on
6 behalf of Florida Public Utilities Company (FPUC),
7 Florida City Gas (FCG), and Sebring Gas System
8 (SEBRING).

9 J. JEFFREY WAHLEN, MALCOLM N. MEANS and
10 VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office
11 Box 391, Tallahassee, Florida 32302; appearing on behalf
12 of Peoples Gas System, Inc. (PGS).

13 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES J.
14 REHWINKEL, DEPUTY PUBLIC COUNSEL; PATRICIA CHRISTENSEN,
15 MARY A. WESSLING, OCTAVIO SIMOES-PONCE and AUSTIN
16 WATROUS, ESQUIRES, OFFICE OF PUBLIC COUNSEL, c/o The
17 Florida Legislature, 111 West Madison Street, Room 812,
18 Tallahassee, Florida 32399-1400; appearing on behalf of
19 the Citizens of the State of Florida (OPC).

20

21

22

23

24

25

1 APPEARANCES CONTINUED:

2 TIMOTHY SPARKS and SAAD FAROOQI, ESQUIRES,
3 FPSC General Counsel's Office, 2540 Shumard Oak
4 Boulevard, Tallahassee, Florida 32399-0850, appearing on
5 behalf of the Florida Public Service Commission (Staff).

6 KEITH C. HETRICK, GENERAL COUNSEL; SAMANTHA
7 CIBULA, ESQUIRE, Florida Public Service Commission, 2540
8 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
9 Advisor to the Florida Public Service Commission.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

	I N D E X	
	WITNESS:	PAGE
1		
2		
3	DERRICK M. CRAIG	
4	Prefiled Direct Testimony inserted	8
5	MIGUEL BUSTOS	
6	Prefiled Direct Testimony inserted	19
7	CHARLES T MORGAN, II	
8	Prefiled Direct Testimony inserted	24
9	JERRY H. MELENDY	
10	Prefiled Direct Testimony inserted	38
11	DEBBIE K. STITT	
12	Prefiled Direct Testimony inserted	69
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	73	73
2-28	As identified in the CEL	73	74

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

2 CHAIRMAN LA ROSA: Let's go ahead and move on
3 to the 04.

4 Mr. Sparks, you are recognized for preliminary
5 matters.

6 MR. SPARKS: Staff notes for the record of
7 that St. Joe Natural Gas has been excused from
8 participating in these proceedings.

9 There are proposed Type 2 stipulations on all
10 issues, with the intervenors not objecting. These
11 can be voted on today.

12 Finally, all witnesses have been excused from
13 these proceedings and his or her testimony and
14 exhibits may be entered into the record as though
15 read when appropriate.

16 CHAIRMAN LA ROSA: Do any of the parties have
17 any preliminary matters -- any other preliminary
18 matters?

19 Seeing none, then let's go ahead and move to
20 prefiled testimony.

21 MR. SPARKS: Staff requests that the prefiled
22 testimony of all witnesses identified in Section 6
23 of the Prehearing Order be inserted into the record
24 as though read.

25 CHAIRMAN LA ROSA: Okay. Show that prefiled

1 testimony moved into the record without objection.

2 (Whereupon, prefiled direct testimony of

3 Derrick M. Craig was inserted.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DOCKET NO. 20240004-GU: Natural Gas Conservation Cost Recovery

3
4 Direct Testimony of Derrick M. Craig

5 On Behalf of

6 FLORIDA PUBLIC UTILITIES AND FLORIDA CITY GAS
7

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

9 A. My name is Derrick M. Craig. My business address is 208 Wildlight Avenue,
10 Yulee, FL 32097.

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

12 A. I am employed by Florida Public Utilities Company (FPUC) as the Manager
13 of Energy Conservation. I am also testifying on behalf of our sister company,
14 Florida City Gas (FCG). As such, herein I refer to FPUC and FCG jointly as
15 the “Companies.”

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

18 A. I graduated from the Georgia Institute of Technology in 1991 with a
19 Bachelor’s degree of Electrical Engineering, and I obtained a Masters of
20 Business Administration from the Darden Graduate School of Business (the
21 University of Virginia) in 1997. I have been employed with Florida Public
22 Utilities Company since 2019, starting as a Regulatory Analyst before
23 reaching my current position as the Energy Conservation Manager in 2021.

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

25 A. To describe generally the expenditures made and projected to be made in
26 implementing, promoting, and operating the Companies’ energy conservation

1 programs. This will include recoverable actual costs incurred in January
2 through June 2024 and projections of program costs to be incurred July
3 through December 2024. It will also include projected conservation costs, for
4 the period January through December 2025, with 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, 2025 through December 31,
8 2025.

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

10 A. Yes. I am sponsoring Exhibit DMC-2, which consists of the required
11 Schedules C-1, C-2, C-3, and C-5, which have been filed with this testimony.
12 Additional schedules are included within my exhibit as explained herein in my
13 Exhibit DMC-3.

14 **Q. Have there been any changes in the Conservation filing compared to the**
15 **prior year?**

16 A. Yes, in an effort to start the process of unifying the operations across the
17 FPUC/FCG platform and administrative efficiency, the Companies propose to
18 consolidate the conservation functions and costs for allocation across both
19 Companies. As such, the Companies have consolidated the schedules for
20 natural gas conservation costs for the actual and projected cost and revenue
21 from January to December 2024 and 2025 projection period for FPUC and
22 FCG. Program costs, under the Companies' proposal, would be allocated to
23 the separate rate schedules based on the share of base revenues each rate
24 provides to the consolidated natural gas unit. The schedules were prepared
25 this period using the costs and revenues for both FPUC and FCG. My exhibit
26 DMC-3 also includes the non-consolidated schedules for FPUC and FCG for

1 purposes of comparison.

2 **Q. Have the Companies included descriptions and summary information on**
3 **the Conservation Programs currently approved and available to your**
4 **customers for Florida Public Utilities Company and Florida City Gas?**

5 A. Yes, the Companies have included the consolidated summaries of the
6 approved conservation programs currently available to our customers in C-5
7 of Exhibit DMC-2.

8 **Q. What are the total consolidated projected costs for the period January**
9 **2025 through December 2025 ?**

10 A. The total projected Consolidated Conservation Program Costs are
11 \$11,547,125. Please see Schedule C-2, page 2, for the programmatic and
12 functional breakdown of these total costs.

13 **Q. What is the consolidated true-up for the period January 2024 through**
14 **December 2024?**

15 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
16 FPUC and FCG on a consolidated basis is an over-recovery of \$112,015.

17 **Q. What are the resulting total consolidated projected conservation costs to**
18 **be recovered during this projection period?**

19 A. The total costs to be recovered during the projection period are \$11,435,110.

20 **Q. Have the Companies prepared a schedule that shows the calculation of**
21 **the proposed Energy Conservation Cost Recovery Adjustment factors to**
22 **be applied during billing periods from January 1, 2025 through**
23 **December 31, 2025 for each entity?**

24 A. Yes. Schedule C-1 of Exhibit DMC-2 shows these calculations. Net program
25 cost estimates for the period January 1, 2025 through December 31, 2025 are
26 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of

1 Exhibit DMC-2, being an over-recovery, was subtracted from the total
2 projected costs for the 12-month period. The total amount was then divided
3 among the Companies' rate classes, excluding customers who are on served
4 under contracts with market-based rates or otherwise receive service under a
5 tariff that is exempt from application of the conservation cost recovery factor,
6 such as Outdoor Lighting.. The results were then divided by the projected gas
7 throughput for each rate class for each Company for the 12-month period
8 ending December 31, 2025. The resulting Energy Conservation Cost
9 Recovery Adjustment factors are shown on Schedule C-1 of Exhibit DMC-2.

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

1A. A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20240004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY
FACTOR

Direct Testimony of
Derrick M. Craig
On Behalf of
Florida Public Utilities Company

1 Q. Please state your name and business address.

2 A. Derrick M. Craig: my business address is 208 Wildlight Avenue, Yulee, Florida
3 32097.

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

5 A. I am employed by Florida Public Utilities Company as the Energy Conservation
6 Manager.

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 Conservation
9 costs for the period January 1, 2023 through December 31, 2023 as compared to the
10 amount previously reported for that period which was based on Six months actual
11 and Six months estimated data.

12 Q. Please state the actual amount of over/under recovery of Conservation Program costs
13 for the gas divisions of Florida Public Utilities Company for January 1, 2023 through
14 December 31, 2023.

15

16

1 A. The Company over-recovered \$1,271,765 during that period. This amount is
2 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
3 Provision.

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

6 A. We had estimated that we would over-recover \$1,511,155 as of December 31, 2023.

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

8 A. We have prepared and pre-filed Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and CT-6
9 (Composite Exhibit DMC-1).

10 Q. Does this conclude your testimony?

11 A. Yes.

12

13

14

15

16

17

18

19

20

21

22

23

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DOCKET NO. 20240004-GU: Natural Gas Conservation Cost Recovery

3
4 Direct Testimony of Derrick M. Craig

5 On Behalf of

6 FLORIDA PUBLIC UTILITIES AND FLORIDA CITY GAS
7

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

9 A. My name is Derrick M. Craig. My business address is 208 Wildlight Avenue,
10 Yulee, FL 32097.

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

12 A. I am employed by Florida Public Utilities Company (FPUC) as the Manager
13 of Energy Conservation. I am also testifying on behalf of our sister company,
14 Florida City Gas (FCG). As such, herein I refer to FPUC and FCG jointly as
15 the “Companies.”

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

18 A. I graduated from the Georgia Institute of Technology in 1991 with a
19 Bachelor’s degree of Electrical Engineering, and I obtained a Masters of
20 Business Administration from the Darden Graduate School of Business (the
21 University of Virginia) in 1997. I have been employed with Florida Public
22 Utilities Company since 2019, starting as a Regulatory Analyst before
23 reaching my current position as the Energy Conservation Manager in 2021.

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

25 A. To describe generally the expenditures made and projected to be made in
26 implementing, promoting, and operating the Companies’ energy conservation

1 programs. This will include recoverable actual costs incurred in January
2 through June 2024 and projections of program costs to be incurred July
3 through December 2024. It will also include projected conservation costs, for
4 the period January through December 2025, with 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, 2025 through December 31,
8 2025.

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

10 A. Yes. I am sponsoring Exhibit DMC-2, which consists of the required
11 Schedules C-1, C-2, C-3, and C-5, which have been filed with this testimony.
12 Additional schedules are included within my exhibit as explained herein in my
13 Exhibit DMC-3.

14 **Q. Have there been any changes in the Conservation filing compared to the**
15 **prior year?**

16 A. Yes, in an effort to start the process of unifying the operations across the
17 FPUC/FCG platform and administrative efficiency, the Companies propose to
18 consolidate the conservation functions and costs for allocation across both
19 Companies. As such, the Companies have consolidated the schedules for
20 natural gas conservation costs for the actual and projected cost and revenue
21 from January to December 2024 and 2025 projection period for FPUC and
22 FCG. Program costs, under the Companies' proposal, would be allocated to
23 the separate rate schedules based on the share of base revenues each rate
24 provides to the consolidated natural gas unit. The schedules were prepared
25 this period using the costs and revenues for both FPUC and FCG. My exhibit
26 DMC-3 also includes the non-consolidated schedules for FPUC and FCG for

1 purposes of comparison.

2 **Q. Have the Companies included descriptions and summary information on**
3 **the Conservation Programs currently approved and available to your**
4 **customers for Florida Public Utilities Company and Florida City Gas?**

5 A. Yes, the Companies have included the consolidated summaries of the
6 approved conservation programs currently available to our customers in C-5
7 of Exhibit DMC-2.

8 **Q. What are the total consolidated projected costs for the period January**
9 **2025 through December 2025 ?**

10 A. The total projected Consolidated Conservation Program Costs are
11 \$11,547,125. Please see Schedule C-2, page 2, for the programmatic and
12 functional breakdown of these total costs.

13 **Q. What is the consolidated true-up for the period January 2024 through**
14 **December 2024?**

15 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
16 FPUC and FCG on a consolidated basis is an over-recovery of \$112,015.

17 **Q. What are the resulting total consolidated projected conservation costs to**
18 **be recovered during this projection period?**

19 A. The total costs to be recovered during the projection period are \$11,435,110.

20 **Q. Have the Companies prepared a schedule that shows the calculation of**
21 **the proposed Energy Conservation Cost Recovery Adjustment factors to**
22 **be applied during billing periods from January 1, 2025 through**
23 **December 31, 2025 for each entity?**

24 A. Yes. Schedule C-1 of Exhibit DMC-2 shows these calculations. Net program
25 cost estimates for the period January 1, 2025 through December 31, 2025 are
26 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of

1 Exhibit DMC-2, being an over-recovery, was subtracted from the total
2 projected costs for the 12-month period. The total amount was then divided
3 among the Companies' rate classes, excluding customers who are on served
4 under contracts with market-based rates or otherwise receive service under a
5 tariff that is exempt from application of the conservation cost recovery factor,
6 such as Outdoor Lighting.. The results were then divided by the projected gas
7 throughput for each rate class for each Company for the 12-month period
8 ending December 31, 2025. The resulting Energy Conservation Cost
9 Recovery Adjustment factors are shown on Schedule C-1 of Exhibit DMC-2.

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

1A. A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Miguel Bustos was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20240004-GU

**FLORIDA CITY GAS
NATURAL GAS CONSERVATION COST RECOVERY TRUE-UP AMOUNT FOR
THE PERIOD OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2023**

DIRECT TESTIMONY OF MIGUEL BUSTOS

May 1, 2024

1

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

3 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue, Doral,
4 Florida 33178.

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

6 A. I am employed by Florida City Gas (“FCG” or “Company”) as Manager of Regulatory.

7 **Q. What are your responsibilities as Manager of Governmental & Community**
8 **Affairs?**

9 A. I am responsible for managing FCG’s Purchased Gas Adjustment clause, the overall
10 strategic design and management of the Company’s energy efficiency programs, as
11 well as development of strategies of new business channels and emerging technologies.
12 I am also responsible for providing direction and oversight for the Company’s
13 implementation of governmental and community affairs. I have held these
14 responsibilities since 2013.

15 **Q. Please describe your prior work experience and responsibilities.**

16 A. I began my career at FCG in 2003. I progressed through roles in operations, budgeting,
17 accounting and business operations. Prior to joining FCG, I was a corporate lead
18 auditor in PricewaterhouseCoopers.

19 **Q. What is your educational background?**

20 A. I have a Bachelor of Science Degree in Accounting from the National Polytechnic
21 Institute (Mexico City) and completed MBA coursework from the University of
22 Americas.

1 **Q. Please explain the purpose of your testimony.**

2 A. The purpose of my testimony is to present FCG's final, net Natural Gas Conservation
3 Cost Recovery ("NGCCR") true-up amount for the period of January 1, 2023 through
4 December 31, 2023.

5 **Q. Has the Company prepared the schedules prescribed by this Commission for this
6 purpose?**

7 A. Yes. Attached to my testimony as Exhibit MB-1 are the Schedules CT-1, CT-2, CT-3,
8 and CT-6 supplied by Commission Staff. These schedules provide the information and
9 data required by Rule 25-17.015, Florida Administrative Code ("F.A.C.").

10 **Q. Are you familiar with FCG's energy conservation programs?**

11 A. Yes. A description of each program is provided in Exhibit MB-1, Schedule CT-6.

12 **Q. What was the total actual cost incurred by FCG for its energy conservation
13 programs during the period January 1, 2023 through December 31, 2023?**

14 A. During this period, FCG incurred a total of \$6,649,986 for its energy conservation
15 programs, including common costs, as shown in Exhibit MB-1, Schedule CT-2, Page 2
16 of 4. The costs incurred for each energy conservation program are provided in Exhibit
17 MB-1, Schedule CT-6.

18 **Q. What was the total amount of revenues recovered through the NGCCR during the
19 period of January 1, 2023 through December 31, 2023?**

20 A. During this period, the Company recovered a total amount of \$6,563,740 through the
21 NGCCR as shown on Line 6 of FCG Exhibit MB-1, Schedule CT-3, Page 4 of 5.

22 **Q. What is the Company's actual end of period over/under recovery amount for the
23 period of January 1, 2023 through December 31, 2023?**

24 A. The actual over/under recovery amount for this period is an under-recovery of \$71,551
25 as shown on Line 8 plus Line 9 of Exhibit MB-1, Schedule CT-3, page 4 of 5.

1 **Q. Can you explain how you calculated that amount?**

2 A. Yes. As shown on Exhibit MB-1, Schedule CT-3, Page 4 of 5, total energy conservation
3 costs incurred for the period were \$6,649,986 (Line 7) and the total revenues recovered
4 through the NGCCR for the period were \$6,563,740 (Line 6), which results in an under-
5 recovery of \$86,246 (Line 8). As calculated on Exhibit MB-1, Schedule CT-3, Page 5
6 of 5, the interest on this over-recovery is \$14,695. The sum of these amounts is an under-
7 recovery of \$71,551 for the period of January 1, 2023 through December 31, 2023 (Lines
8 8+9).

9 **Q. Did you also provide a comparison of the actual over/under recovery and the**
10 **projected over/under recovery reported in the Company's actual/estimated filing**
11 **for the period January 1, 2023 through December 31, 2023 as required by Rule 25-**
12 **17.015(1)(a), F.A.C.?**

13 A. Yes. A summary of this comparison is provided in Exhibit MB-1, Schedule CT-2, Page
14 1 of 4. Based on six months of actual data and six months of projected data, FCG
15 projected an end of period over-recovery amount for 2023 of \$89,872 as compared to an
16 actual uner-recovery of \$71,551 (based on 12 months of actual data). This results in a
17 net under-recovery amount of \$161,423 for the period January 1, 2023 through December
18 31, 2023. This amount is calculated on Exhibit MB-1, Schedule CT-1.

19 **Q. What true-up amount for the period January through December 2023 should be**
20 **included in the Company's NGCCR Factor for the period of January 1, 2025**
21 **through December 31, 2025 ("2025 NGCCR Factor")?**

22 A. The final, net true-up for 2023 that should be included in the Company's 2025 NGCCR
23 Factor is an under-recovery of \$161,423.

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

25 A. Yes, it does.

1 (Whereupon, prefiled direct testimony of
2 Charles T. Morgan, II was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20240004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
CHARLES T. MORGAN II

FILED: AUGUST 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **PREPARED DIRECT TESTIMONY**3 **OF**4 **CHARLES T. MORGAN II**

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

8
9 **A.** My name is Charles T. Morgan II. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System, Inc. ("Peoples" or the
12 "company"), as Supervisor of Conservation Programs, in
13 the Regulatory Affairs Department.

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

17
18 **A.** I graduated from Florida State University in 2009 with a
19 Bachelor of Science degree in Social Science. My work
20 experience includes seven years of utility regulatory
21 experience, including three years with the Florida Public
22 Service Commission ("Commission") as a Public Utility
23 Analyst and three years as a Regulatory Analyst with Peoples
24 before being promoted into my current role this year. As
25 the Supervisor of Conservation Programs, I am responsible

1 for Peoples' Natural Gas Conservation Cost Recovery
2 ("NGCCR") Clause and other Conservation and demand-side
3 management ("DSM") activities.

4
5 **Q.** What is the purpose of your testimony in this docket?

6
7 **A.** The purpose of my testimony is to support Peoples' actual
8 conservation costs incurred during the period January
9 through December 2023, the actual/estimated period
10 January to December 2024, and the projected period January
11 through December 2025. The projected 2025 NGCCR factors
12 have been calculated based on the currently approved
13 allocation methodology.

14
15 **Q.** Are you sponsoring any exhibits with your testimony?

16
17 **A.** Yes, I am sponsoring Exhibit No. CTM-2 prepared under my
18 direction and supervision. This document consists of
19 Schedules C-1 through C-5 and associated data which
20 contain information that supports the development of the
21 natural gas conservation cost recovery factors to be
22 applied to customer bills during the period January 2025
23 through December 2025.

24

1 **Q.** Does Exhibit No. CTM-2 meet the requirements of Florida
2 Statute Rule 25-17.015, which requires the projection
3 filing to include the annual estimated/actual true-up
4 filing showing actual and projected common costs,
5 individual program costs, and any revenues collected?

6
7 **A.** Yes, it does.

8
9 **Q.** What timeframe did Peoples use in developing its 2024 annual
10 actual/estimated true-up filing?

11
12 **A.** Peoples developed its 2024 annual actual/estimated true-up
13 filing showing actual and projected common costs,
14 individual program costs, and any revenues collected based
15 on six months of actuals and six months of estimates.

16
17 **Q.** Please describe the conservation program costs projected by
18 Peoples during the period January through December 2023.

19
20 **A.** For the period January through December 2023, Peoples
21 projected conservation program costs to be \$18,338,325. The
22 Commission authorized collections to recover these expenses
23 in Order No. PSC-2022-0423-FOF-GU, issued December 14,
24 2022, in Docket No. 20220004-GU.

25

1 **Q.** For the period January through December 2023, what were
2 Peoples' conservation costs, and what was recovered through
3 the NGCCR clause?

4
5 **A.** For the period January through December 2023, Peoples
6 incurred actual net conservation costs of \$30,425,021. The
7 amount collected in the NGCCR clause was \$17,506,108, plus
8 applicable regulatory assessment fees of \$87,531. The
9 conservation revenue applicable to this period was
10 \$21,048,696, which includes the \$17,506,108 amount
11 collected in the NGCCR clause and the prior period true-up
12 over-recovery of \$3,542,588.

13
14 **Q.** What is the true-up amount for Peoples for the period
15 January through December 2023?

16
17 **A.** Peoples' true-up amount for the period January through
18 December 2023 was an under-recovery of \$11,590,787,
19 including interest, as detailed on Schedule CT-2, Page 1
20 of 3, of Exhibit No. CTM-1.

21
22 **Q.** Please describe the conservation program costs projected
23 to be incurred by Peoples during the period January
24 through December 2024?

25

1 **A.** The actual costs incurred by Peoples through June 2024
2 and projected for July through December 2024 are
3 \$33,850,334, as shown on Schedule C-3, Page 1 of 4. For
4 the period, Peoples anticipates an under-recovery in the
5 NGCCR Clause of \$1,483,836 which includes the 2023 true-
6 up and interest. A summary of these costs and estimates
7 are fully detailed in Exhibit No. CTM-2.

8
9 **Q.** Please summarize the reasons for the under-recovery.

10
11 **A.** The under-recovery is primarily a result of actual
12 expenses for January through June and estimated expenses
13 for July through December exceeding projections in the
14 Commercial Retention Program. The actual and estimated
15 costs for each program are detailed on Schedule C-3, Page
16 1 of 4.

17
18 **Q.** Has Peoples launched its statewide Commercial Walkthrough
19 Energy Audit?

20
21 **A.** Yes. Peoples signed a contract amendment with its vendor
22 in May of 2024 that allows the company to offer statewide
23 walkthrough energy audits. As of the date of this filing,
24
25

1 the vendor has completed 32 walkthrough energy audits in
2 the Tampa, Naples, Orlando, and Daytona Beach areas.

3

4 **Q.** Please summarize the proposed conservation costs for the
5 period January through December 2025 and the annualized
6 recovery factors applicable for the period January through
7 December 2025.

8

9 **A.** Peoples has estimated that the total conservation costs
10 during the period will be \$36,337,767. With the estimated
11 true-up under-recovery for 2024 of \$1,483,836, the total
12 amount to be collected is \$37,821,603. Utilizing the rate
13 design and cost allocation methodology approved by the
14 Commission, the January through December 2025 conservation
15 cost recovery factors are as follows:

16

Cost Recovery Factors

17

Rate Schedule

(Dollars per Therm)

18

RS & RS-SG & RS-GHP

\$0.17732

19

SGS

\$0.11074

20

GS-1 & CS-SG & CS-GHP

\$0.05851

21

GS-2

\$0.04497

22

GS-3

\$0.03793

23

GS-4

\$0.02739

24

GS-5

\$0.01918

25

CSLS

\$0.03822

1 Exhibit No. CTM-2, Schedule C-1, Page 1 of 1, Energy
2 Conservation Adjustment, Summary of Cost Recovery Clause
3 Calculation, contains the Commission-prescribed form which
4 details these estimates.

5
6 **Q.** Does this conclude your testimony?

7
8 **A.** Yes, it does.
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20240004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
CHARLES T. MORGAN II

FILED: MAY 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **PREPARED DIRECT TESTIMONY**3 **OF**4 **CHARLES T. MORGAN II**

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

8
9 **A.** My name is Charles T. Morgan II. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System, Inc. ("Peoples" or the
12 "company") as Supervisor of Conservation Programs, in the
13 Regulatory Affairs Department.

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

17
18 **A.** I graduated from Florida State University in 2009 with a
19 Bachelor of Science degree in Social Science. My work
20 experience includes seven years of regulatory experience,
21 including three years with the Florida Public Service
22 Commission as a Public Utility Analyst and four years as a
23 Regulatory Analyst with Peoples before beginning my current
24 role in 2024. In my current position, I am responsible for
25 Peoples' Natural Gas Conservation Cost Recovery ("NGCCR")

1 Clause and other Conservation and demand-side management
2 ("DSM") activities.

3

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

5

6 **A.** The purpose of my testimony is to present and support for
7 Commission review and approval the company's actual DSM
8 program true-up costs incurred during the January through
9 December 2024 period.

10

11 **Q.** Did you prepare any exhibits in support of your testimony?

12

13 **A.** Yes. Exhibit No. CTM-1, entitled "Peoples Gas System, Inc.
14 Schedules Supporting Conservation Cost Recovery Factor,
15 Actual, January 2023-December 2023" was prepared under my
16 direction and supervision. This Exhibit includes Schedules
17 CT-1 through CT-3, and CT-6 which support the company's
18 actual and prudent DSM program-related true-up costs
19 incurred during the January through December 2023 period.

20

21 **Q.** What were Peoples' actual January through December 2023
22 conservation costs?

23

24 **A.** For the period January through December 2023, Peoples Gas
25 System incurred actual net conservation costs of

1 \$30,425,021.

2

3 **Q.** What is the final end of period net true-up for the
4 conservation clause for January through December 2023?

5

6 **A.** The final conservation clause end of period net true-up for
7 January through December 2023 is an under-recovery,
8 including interest, of \$11,590,787. This calculation is
9 detailed on Schedule CT-1, page 1 of 1.

10

11 **Q.** Please summarize how Peoples's actual program costs for
12 January through December 2023 period compare to the
13 actual/estimated costs presented in Docket No. 20230004-
14 GU?

15

16 **A.** Peoples' actual program costs for 2023 were lower than
17 actual/estimated costs presented in Docket No. 20230004-
18 GU by \$1,239,572. The total program costs were projected
19 to be \$31,664,593, compared to the actual costs of
20 \$30,425,021.

21

22 **Q.** Please summarize the reasons for which actual expenses were
23 less than projected expenses.

24

25 **A.** The variance was a result of lower expenses in all of

1 Peoples' conservation programs, apart from Commercial
2 Retention. Higher expenses in Commercial Retention
3 partially offset the lower expenses in the remaining
4 programs. The actual versus projected variance for each
5 program is detailed on Schedule CT-2, Page 3 of 3.

6

7 **Q.** Should Peoples' costs incurred during the January through
8 December 2023 period for energy conservation be approved by
9 the Commission?

10

11 **A.** Yes, the costs incurred were prudent and directly related
12 to the Commission's approved DSM programs and should be
13 approved.

14

15 **Q.** Does that conclude your testimony?

16

17 **A.** Yes, it does.

18

19

20

21

22

23

24

25

1 (Whereupon, prefiled direct testimony of Jerry
2 H. Melendy was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 20240004-GU

REVISED DIRECT TESTIMONY OF

JERRY H. MELENDY (Final True Up)

ON BEHALF OF SEBRING GAS SYSTEM, INC.

JUNE 21, 2024

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System, Inc., 3515
3 U.S. Highway 27 South, Sebring FL 33870

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

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

6 Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT ENERGY
7 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 actual
11 activities and expenses for the Company's energy conservation programs incurred
12 during the period January 2023 through December 2023. I will also identify the final
13 conservation true-up amount for the above referenced period.

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

1 A. Yes. Summaries of the Company's six approved programs for which costs were
2 incurred during the period January 2023 through December 2023 are included in
3 Schedule CT-6 of Exhibit JHM-1. Included are the Residential New Construction
4 Program, the Residential Appliance Replacement Program, the Residential Appliance
5 Retention Program, Commercial New Construction, Commercial Replacement, and
6 Commercial Retention.

7 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
8 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
9 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

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

14 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY TO**
15 **ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE**
16 **TWELVEMONTH PERIOD ENDING DECEMBER 2023?**

17 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's total 2023
18 programs costs were \$45,846.

19 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE VARIANCE**
20 **OF ACTUAL FROM PROJECTED COSTS BY CATEGORIES OF**
21 **EXPENSES?**

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

1 Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE
2 MONTHS ENDING DECEMBER 2023?

3 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an under
4 recovery of \$5,301.

5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes.

Writer's E-Mail Address: bkeating@gunster.com

August 1, 2024

VIA E-PORTAL

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

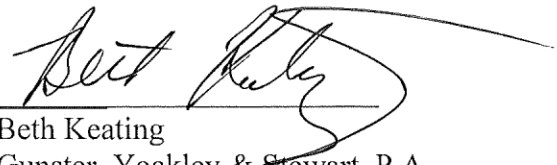
Re: Docket No. 20240004-GU – Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

Enclosed for electronic filing, please find Sebring Gas System, Inc.'s Petition for Approval of Conservation Cost Recovery Factors, along with the Testimony of Jerry Melendy and Exhibit No. JHM-2.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions or concerns.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

C5-310

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery Clause)
_____)

Docket No. 20240004-GU
Filed: August 1, 2024

**PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.' S
CONSERVATION COST RECOVERY FACTORS**

Sebring Gas System, Inc. (“the Company”), through undersigned counsel and pursuant to the requirements of this docket, hereby petitions the Commission to accept this Petition as if timely filed and to approve its conservation cost recovery factors and amounts as identified herein for the period January 2025 through December 2025. In support hereof, the Company states:

1) The Company is a natural gas utility company within the jurisdiction of this Commission. Its exact name and principal business address are:

Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, FL 33870

2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

Jerry H. Melendy
Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, FL 33870

3) Pursuant to the requirements of this Docket, the Company has pre-filed testimony and the conservation cost recovery forms (Exhibit JHM-2) supplied by the Commission Staff in a manner consistent with the Commission Staff's instructions.

4) As indicated in the pre-filed forms, the recoverable conservation costs for the period January 2025 through December 2025 are projected to be \$36,283. The estimated conservation costs recovery true-up amount for the period January 2024 through December 2024 is an under-recovery of \$5,791.

5) The resulting net total projected conservation costs to be recovered for the period January 2025 through December 2025 are \$42,074, which represents projected costs of \$36,283 plus the estimated true up. Based upon projected sales, the appropriate conservation cost recovery factors to be applied on a per therm basis for the period January 2025 through December 2025 are as follows:

TS-1	\$0.13621
TS-2	\$0.05907
TS-3	\$0.03875
TS-4	\$0.03353

WHEREFORE, Sebring Gas System, Inc. respectfully requests that this Commission approve the foregoing conservation cost recovery factors to be applied to customer bills for the period January 2025 through December 2025 and to billings thereafter until other conservation costs recovery factors are approved by the Commission.

DATED this 1st day of August 2024.

Respectfully submitted,

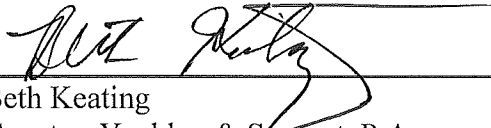


Beth Keating
Gunster, Yoakley & Stewart
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 1st day of August, 2024:

<p>Michelle D. Napier Director, Regulatory Affairs Distribution Florida Public Utilities Company 1635 Meathe Drive West Palm Beach, Florida 33411 W: (561) 838-1712 mnapier@fpuc.com</p> <p>Derrick Craig, Manager/Energy Conservation 208 Wildlight Ave Yulee, Florida 32097 dcraig@chpk.com</p>	<p>J. Jeffry Wahlen Malcolm Means Virginia Ponder Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com</p>
<p>Florida Public Service Commission Timothy Sparks 2540 Shumard Oak Boulevard Tallahassee, FL 32399 tsparks@psc.state.fl.us discovery-gcl@psc.state.fl.us</p>	<p>Office of Public Counsel Walter Trierweiler/Charles Rehwinkel/Patricia Christensen//M. Wessling c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Wessling.Mary@leg.state.fl.us</p>
<p>Peoples Gas System Paula Brown/Karen Bramley/ P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com klbramley@tecoenergy.com</p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf/Debbie Stitt P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com dstitt@stjoegas.com</p>
	<p>Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com</p>


 Beth Keating
 Gunster, Yoakley & Stewart, P.A.
 215 South Monroe St., Suite 601
 Tallahassee, FL 32301

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.20240004-GU**

7 **08/01/2024**

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
11 System, Inc., US Highway 27 South, Sebring, FL 33870.

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**
15 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS**
16 **THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

17 A. Yes.

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

19 A. My testimony will present actual and projected expenditures and
20 revenues related to promoting and administering the Company's energy
21 conservation programs in 2024 and 2025. I will provide the adjusted net
22 true-up amount associated with program administration for the January
23 2024 through December 2024 period. Actual program costs are

1 provided for the period January 1, 2024, through June 30, 2024, as well
2 as the costs the Company expects to incur from July 1, 2024, through
3 December 31, 2024. I will also include the total costs the Company
4 seeks to recover through its conservation factors during the period
5 January 1, 2025, through December 31, 2025. Finally, I will also
6 propose the energy conservation cost recovery factors which, when
7 applied to consumer bills during the period January 1, 2025, through
8 December 31, 2025, will permit recovery of the Company's total
9 conservation costs.

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

13 A. Yes. Summaries of the Company's six approved programs are included
14 in Schedule C-4 of Exhibit JHM-2. Included are the Residential New
15 Construction Program, the Residential Appliance Replacement
16 Program, the Residential Appliance Retention Program, the
17 Commercial New Construction Program, the Commercial Appliance
18 Replacement Program and the Commercial Retention Program.

19 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
20 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
21 **THE CURRENT (2024) AND PROJECTED (2025) PERIODS?**

22 A. Yes. Schedule C-3, Exhibit JHM-2 provides actual conservation
23 expenses for the January 2024 through June 2024 period and projected

1 expenses for the January 2025 through December 2025 period, which
2 are included in Schedule C-2, Exhibit JHM-1.

3 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
4 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2024?**

5 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-2, provides actual
6 conservation revenues for the January 2024 through June 2024 period,
7 and projected conservation revenues for the July 2024 through
8 December 2024 period.

9 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
10 **PERIOD JANUARY 1, 2024, THROUGH DECEMBER 31, 2024?**

11 A. The Company is under-recovered by \$5,791, as calculated on Schedule
12 C-3, Page 4, Line 11, Exhibit JHM-1.

13 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO RECOVER**
14 **DURING THE PERIOD JANUARY 1, 2025, THROUGH DECEMBER**
15 **31, 2025?**

16 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
17 recover \$42,074 during the referenced period. This amount represents
18 the projected costs of \$36,283 to be incurred during 2025, plus the
19 estimated true-up of \$5,791 for calendar year 2024.

20 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
21 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
22 **CLASS FOR JANUARY 2025 THROUGH DECEMBER 2025**
23 **PERIOD?**

1 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
2 Company's proposed ECCR factors for 2025.

3 The Conservation Adjustment Factors per therm for Sebring Gas
4 System are:

5 TS-1 \$.13621

6 TS-2 \$.05907

7 TS-3 \$.03875

8 TS-4 \$.03353

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

10 A. Yes.

Schedule C-1,
Page 1 of 1

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2 Page 1 of 19

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2025 THROUGH DECEMBER 2025

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 36,283
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 5,791
3. TOTAL (LINE 1 AND 2)	<u>\$ 42,074</u>

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
TS-1	7,684	56,911	\$97,323	\$42,235	\$139,557	\$7,713	5.53%	0.13552	1.00503	0.13621
TS-2	683	24,258	\$13,678	\$12,118	\$25,796	\$1,426	5.53%	0.05877	1.00503	0.05907
TS-3	1,131	379,502	\$79,166	\$185,585	\$264,750	\$14,632	5.53%	0.03856	1.00503	0.03875
TS-4	453	548,569	\$101,935	\$229,253	\$331,188	\$18,304	5.53%	0.03337	1.00503	0.03353
TOTAL	9,951	1,009,241	\$292,102	\$469,190	\$761,292	\$42,074				

Schedule C-2
Page 1 of 2

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2 Page 2 of 19

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2025 THROUGH DECEMBER 2025

PROGRAM	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025	JUL 2025	AUG 2025	SEP 2025	OCT 2025	NOV 2025	DEC 2025	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$345	\$4,143
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$581	\$6,968
3 RESIDENTIAL APPLIANCE RETENTION	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$6,043
4 COMMERCIAL NEW CONSTRUCTION	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$587	\$7,043
5 COMMERCIAL APPLIANCE REPLACEMENT	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$295	\$3,543
6 COMMERCIAL RETENTION	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$712	\$8,543
TOTAL ALL PROGRAMS	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$36,283

Schedule C-2
Page 2 of 2

COMPANY:

Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2 Page 3 of 19

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2025 THROUGH DECEMBER 2025

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,163	\$0	\$0	\$1,600	\$380	\$0	\$0	\$4,143
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,163	\$0	\$0	\$4,425	\$380	\$0	\$0	\$6,968
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,163	\$0	\$0	\$3,500	\$380	\$0	\$0	\$6,043
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$2,163	\$0	\$0	\$4,500	\$380	\$0	\$0	\$7,043
5 COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$2,163	\$0	\$0	\$1,000	\$380	\$0	\$0	\$3,543
6 COMMERCIAL RETENTION	\$0	\$2,163	\$0	\$0	\$6,000	\$380	\$0	\$0	\$8,543
PROGRAM COSTS	\$0	\$12,978	\$0	\$0	\$21,025	\$2,280	\$0	\$0	\$36,283

Schedule C-3
Page 1 of 5

COMPANY:

Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2

Page 4 of 19

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2024 THROUGH DECEMBER 2024

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$0	\$107	\$0	\$0	\$1,156
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$800	\$237	\$0	\$0	\$2,087
TOTAL	\$0	\$2,099	\$0	\$0	\$800	\$344	\$0	\$0	\$3,243
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$1,175	\$107	\$0	\$0	\$2,331
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$1,025	\$237	\$0	\$0	\$2,312
TOTAL	\$0	\$2,099	\$0	\$0	\$2,200	\$344	\$0	\$0	\$4,643
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$200	\$107	\$0	\$0	\$1,356
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$1,850	\$237	\$0	\$0	\$3,137
TOTAL	\$0	\$2,099	\$0	\$0	\$2,050	\$344	\$0	\$0	\$4,493
4 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$0	\$107	\$0	\$0	\$1,156
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$3,500	\$237	\$0	\$0	\$4,787
TOTAL	\$0	\$2,099	\$0	\$0	\$3,500	\$344	\$0	\$0	\$5,943
SUB-TOTAL	\$0	\$8,396	\$0	\$0	\$8,550	\$1,376	\$0	\$0	\$18,322

Schedule C-3
Page 2 of 5

COMPANY:

Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2 Page 5 of 19

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2024 THROUGH DECEMBER 2024

<u>PROGRAM</u>	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$0	\$8,396	\$0	\$0	\$8,550	\$1,376	\$0	\$0	\$18,322
5 COMMERCIAL APPLIANCE REPLACE									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$0	\$107	\$0	\$0	\$1,156
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$4,000	\$237	\$0	\$0	\$5,287
TOTAL	\$0	\$2,099	\$0	\$0	\$4,000	\$344	\$0	\$0	\$6,443
6 COMMERCIAL RETENTION									
A. ACTUAL	\$0	\$1,049	\$0	\$0	\$0	\$107	\$0	\$0	\$1,156
B. ESTIMATED	\$0	\$1,050	\$0	\$0	\$5,000	\$237	\$0	\$0	\$6,287
TOTAL	\$0	\$2,099	\$0	\$0	\$5,000	\$344	\$0	\$0	\$7,443
PROGRAM COSTS	\$0	\$12,594	\$0	\$0	\$17,550	\$2,064	\$0	\$0	\$32,208

Schedule C-3
Page 3 of 5

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-2 Page 6 of 19

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2024 THROUGH DECEMBER 2024

PROGRAM	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$212	\$188	\$175	\$175	\$231	\$175	\$194	\$225	\$206	\$206	\$231	\$1,025	\$3,243
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$212	\$188	\$1,350	\$175	\$231	\$175	\$194	\$425	\$206	\$206	\$1,056	\$225	\$4,643
3 RESIDENTIAL CUSTOMER RETENTION	\$212	\$188	\$375	\$175	\$231	\$175	\$194	\$225	\$306	\$856	\$231	\$1,325	\$4,493
4 COMMERCIAL NEW CONSTRUCTION	\$212	\$188	\$175	\$175	\$231	\$175	\$194	\$225	\$206	\$1,206	\$1,731	\$1,225	\$5,943
5 COMMERCIAL APPLIANCE REPLACE	\$212	\$188	\$175	\$175	\$231	\$175	\$194	\$225	\$206	\$2,706	\$231	\$1,725	\$6,443
6 COMMERCIAL RETENTION	\$212	\$188	\$175	\$175	\$231	\$175	\$194	\$225	\$206	\$1,206	\$1,231	\$3,225	\$7,443
TOTAL ALL PROGRAMS	\$1,272	\$1,128	\$2,425	\$1,050	\$1,386	\$1,050	\$1,164	\$1,550	\$1,336	\$6,386	\$4,711	\$8,750	\$32,208

Revised Schedule C-3,
Page 4 of 5

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2024 THROUGH DECEMBER 2024

Page 7 of 19

CONSERVATION REVENUES	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REV	0	0	0	0	0	0	0	0	0	0	0	0	0
1. ECCR REVENUE	(3,994)	(3,508)	(3,065)	(3,396)	(2,985)	(2,565)	(2,324)	(2,351)	(2,362)	(2,669)	(2,984)	(3,559)	(35,762)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	20	18	15	17	15	13	12	12	12	13	15	18	179
3. TOTAL REVENUES	(3,974)	(3,490)	(3,050)	(3,379)	(2,970)	(2,552)	(2,313)	(2,340)	(2,350)	(2,656)	(2,969)	(3,541)	(35,583)
4. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	777	777	777	777	777	777	777	777	777	777	777	777	9,324
5. CONSERV. REVS. APPLIC. TO PERIOD	(3,197)	(2,713)	(2,273)	(2,602)	(2,193)	(1,775)	(1,536)	(1,563)	(1,573)	(1,879)	(2,192)	(2,764)	(26,259)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,272	1,128	2,425	1,050	1,386	1,050	1,164	1,550	1,336	6,386	4,711	8,750	32,208
7. TRUE-UP THIS PERIOD	(1,925)	(1,585)	152	(1,552)	(807)	(725)	(372)	(13)	(237)	4,507	2,519	5,986	5,949
8. INTEREST THIS PERIOD (C-3, PAGE 5)	(21)	(23)	(21)	(12)	(6)	(13)	(19)	(23)	(23)	(13)	2	12	(158)
9. TRUE-UP & INT BEGIN OF MONTH	9,329	6,606	4,221	3,576	1,235	(355)	(1,870)	(3,037)	(3,850)	(4,887)	(1,170)	574	
10. PRIOR TRUE-UP COLLECT / (REFUND)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	(777)	
11. END OF PERIOD TOTAL NET TRUE-UP	6,606	4,221	3,576	1,235	(355)	(1,870)	(3,037)	(3,850)	(4,887)	(1,170)	574	5,796	5,791

Revised Schedule C-3,
Page 5 of 5

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 PROJECTIONS
Exhibit JHM-1

Page 8 of 19

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2024 THROUGH DECEMBER 2024

INTEREST PROVISION	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	TOTAL
BEGINNING TRUE-UP CT-3.2 Previous period	9,329	6,606	4,221	3,576	1,235	(355)	(1,870)	(3,037)	(3,850)	(4,887)	(1,170)	574	
END. T-UP BEFORE INT. (C3,4)	6,627	4,244	3,596	1,247	(349)	(1,857)	(3,019)	(3,827)	(4,864)	(1,157)	573	5,784	
TOTAL BEG. & END. T-UP	15,957	10,850	7,818	4,823	886	(2,212)	(4,888)	(6,865)	(8,714)	(6,044)	(597)	6,358	
AVERAGE TRUE-UP	7,978	5,425	3,909	2,411	443	(1,106)	(2,444)	(3,432)	(4,357)	(3,022)	(298)	3,179	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	5.34%	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH.	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
TOTAL	10.68%	10.63%	10.62%	10.67%	10.65%	10.61%	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%
AVG INTEREST RATE	5.340%	5.32%	5.31%	5.34%	5.33%	5.31%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
MONTHLY AVG. INT. RATE	0.45%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
INTEREST PROVISION	(21)	(23)	(21)	(12)	(6)	(13)	(19)	(23)	(23)	(13)	2	12	(158)

Schedule C-4
Page 1 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 9 of 19

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential New Construction Program

Program Description

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of Sebring Gas System, Inc. (the Company)'s service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Current Approved Allowances

\$350 Gas Storage Tank Water Heating
\$400 Gas High Efficiency Storage tank Water Heater
\$550 Tankless Water Heating
\$500 Gas Heating
\$150 Gas Cooking
\$100 Gas Clothes Drying

Program Projections

For the twelve-month period of January through December 2025, the Company estimates that the following allowances will be paid for the Residential New Home Construction Program:

Tankless Water Heating: 2 allowances at \$550 each for a total of \$1,100.
Gas Cooking: 2 allowances at \$150 each for a total of \$ 300.
Gas Clothes Drying: 2 allowances at \$100 each for a total of \$ 200.

The total estimated allowances for the Residential New Home Construction Program are \$1,600.

Program Fiscal Expenditures

For the twelve-month period of January through December 2025, the Company estimates expenses of the Residential New Home Construction Program to be \$4,143.

Schedule C-4

COMPANY: Sebring Gas System, Inc.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Replacement Program

Program Description

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas appliances through the purchase of energy efficient natural gas appliances.

Current Approved Allowances

\$500 Gas Storage Tank Water Heating
\$550 Gas High Efficiency Storage tank Water Heater
\$675 Tankless Water Heating
\$725 Gas Heating
\$200 Gas Cooking
\$150 Gas Clothes Drying

Program Projections

For the twelve-month period of January through December 2025, the Company estimates that the following allowances will be paid for Residential Appliance Replacement Program:

High Efficiency Tank Water Heater: No allowance.

Tankless Water Heating: 5 allowances at \$675 each for a total of \$3,375.

Gas Cooking: 3 allowances at \$200 each for a total of \$ 600.

Gas Clothes Drying: 3 allowances at \$150 each for a total of \$ 450.

The total estimated allowances for the Residential Appliance Replacement Program are \$4,425.

Program Fiscal Expenditures

For the twelve-month period of January through December 2025, the Company estimates expenses of the Residential Appliance Replacement Program to be \$6,968.

Schedule C-4
Page 3 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 11 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Residential Appliance Retention Program

Program Description

This program is designed to encourage existing customers to continue to use natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our county's resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances

\$350 Gas Storage Tank Water Heating
\$400 Gas High Efficiency Storage tank Water Heater
\$550 Tankless Water Heating
\$500 Gas Heating
\$100 Gas Cooking
\$100 Gas Clothes Drying

Program Projections

For the twelve-month period of January through December 2025, the Company estimates that the following allowances will be paid for Residential Appliance Retention Program:

Gas High Efficiency Storage Tank Water Heater: 1 allowance for \$ 400.
Tankless Water Heating: 4 allowances at \$550 each for a total of \$2,200.
Gas Cooking: 7 allowances at \$100 each for a total of \$ 700.
Gas Clothes Drying: 2 allowances at \$100 each for a total of \$ 200.

The total estimated allowances for the Residential Appliance Retention Program are \$3,040.

Program Fiscal Expenditures

For the twelve-month period of January through December 2025, the Company estimates expenses of the Residential Appliance Retention Program to be \$6,043.

Schedule C-4
Page 4 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 202140004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 12 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Conservation Education Program

Program Description

The object of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and costs.

Program Activity and Projections:

The Company continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. The Company attends local builder association meetings, participating in their events. The Company continues to use a part-time outside contract sales group in an attempt to increase program participation. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association. In the year 2010 the Company began a program of direct mailings to inform the public located within its service area of the benefit of using natural gas and the awareness of the programs offered by the Company.

Program Fiscal Expenditures:

The Company books any expenditures for the education program to the various incentive programs.

Schedule C-4
Page 5 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 13 of 19

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Small Commercial Food Service

Program Description

This program is designed to encourage owners and operators of Small Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Schedule C-4
Page 6 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 14 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Non-Food Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Non-Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H \$2,000

Tankless W/H \$2,500

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Schedule C-4
Page 7 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 15 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Food Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Schedule C-4
Page 8 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 16 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Hospitality

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Schedule C-4
Page 9 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 17 of 19

Large Commercial Hospitality Program, continued from page 16 of 19

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Schedule C-4
Page 10 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 18 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Cleaning Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500
Tankless W/H \$2,000
Dryer \$1,500

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H \$2,000
Tankless W/H \$2,500
Range/Oven \$1,500

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500
Tankless W/H \$2,000
Dryer \$1,500

Schedule C-4
Page 11 of 11

COMPANY: Sebring Gas System, Inc.
Docket No. 20240004-GU
ECCR 2025 Projections
Exhibit JHM-2, Page 19 of 19

**Sebring Gas System, Inc.
Program Description and Progress**

Program Projections

For the twelve-month period of January through December 2025, the Company estimates that the following allowances will be paid for the Commercial Rebate Programs:

Commercial New Construction:	\$ 4,500
Commercial Appliance Replacement	\$ 1,000
Commercial Retention	\$ 6,000

Program Fiscal Expenditures

For the twelve-month period of January through December 2025, the Company estimates expenses of the Commercial Rebate Programs to be:

Commercial New Construction	\$7,043
Commercial Appliance Replacement	\$3,543
Commercial Retention	\$8,543

1 (Whereupon, prefiled direct testimony of
2 Debbie K. Stitt was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1. BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2. In Re: Conservation Cost
Recovery Clause

Docket No. 20240004-GU
Filing Date: May 1, 2024

3. _____/

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, 2023
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 testimony
21. this 1st day of May, 2024 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, 2023" for identi-
25. fication

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

3. A. \$181,225.00

4. Q. What is the final true-up amount associated with this
5. twelve-month period ending December 31, 2023?

6. A. The final true-up amount for December 31, 2023 is
7. an under-recovery of \$341.

8. Q. Does this conclude your testimony?

9. A. Yes

10.

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

21.

22.

23.

24.

25.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost) Docket No.20240004-GU
Recovery Clause) Submitted for Filing
_____) August 1, 2024

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 June 2024 and projection costs to be incurred from July 2024 through December 2024. SJNG will be including an over-collection of Storm Recovery Revenue per Order No. PSC-2021-0196-AS-GU for \$16,194 to be refunded to customers. It will also include projected conservation costs for the period January 1 through December 31, 2025 with a calculation of the conservation adjustment factors to be applied to the customers' bills during the January 1, 2025 through December 31, 2025 period.

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

A. Yes, I have prepared and filed to the Commission the 1st day of August 2024 Schedule C-1 prescribed by the Commission Staff

1 which has collectively been titled Energy Conservation Adjustment
2 Summary of Cost Recovery Clause Calculation for months January
3 1, 2025 through December 31, 2025 for identification.

4 Q. What Conservation Adjustment Factor does St. Joe Natural Gas
5 seek approval through its petition for the twelve-month period
6 ending December 31, 2025?

7 A. \$.33942 per therm for RS-1, \$.23749 per therm for RS-2, and
8 \$.18439 per therm for RS-3, \$.10405 per therm for GS-1, \$0.06096
9 per therm for GS-2, and \$0.03724 per therm for GS-4/FTS-4

10 Q. Does this conclude your testimony?

11 A. Yes.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 CHAIRMAN LA ROSA: Move to exhibits.

2 MR. SPARKS: Staff has compiled a stipulated
3 Comprehensive Exhibit List, which includes the
4 prefiled exhibits attached to the witnesses'
5 testimony in this case. The list has been provided
6 to the parties, the Commissioners and the court
7 reporter.

8 Staff requests that the list be marked as the
9 first hearing exhibit, and the other exhibits
10 marked as set forth in the Comprehensive Exhibit
11 List.

12 CHAIRMAN LA ROSA: All right. The exhibits,
13 then, are so marked.

14 (Whereupon, Exhibit Nos. 1 - 28 were marked
15 for identification.)

16 MR. SPARKS: Staff requests that the
17 Comprehensive Exhibit List, marked as Exhibit No.
18 1, be entered into the record.

19 CHAIRMAN LA ROSA: Exhibit 1 will be entered.

20 (Whereupon, Exhibit No. 1 was received into
21 evidence.)

22 MR. SPARKS: Staff requests that Exhibits 2
23 through 28 be moved into the record as set forth in
24 the Comprehensive Exhibit List.

25 CHAIRMAN LA ROSA: Okay. So hearing no

1 objections, show is that Exhibits 2 through 28 are
2 entered, then, into the record.

3 (Whereupon, Exhibit Nos. 2 - 28 were received
4 into evidence.)

5 MR. SPARKS: Because the utilities have
6 reached Type 2 stipulations with the intervenors
7 not objecting to the Commission considering the
8 stipulations on all the issues in this case, staff
9 suggests that the Commission may make a bench
10 decision in this docketed because the parties
11 agreed to waive post-hearing briefs. Staff is also
12 available to evens any questions.

13 CHAIRMAN LA ROSA: All right. Commissioners,
14 any thoughts or questions or discussions on that?
15 If not, go ahead and open the floor for a motion
16 regarding the Type 2 stipulations A through --
17 Issues A through 1-8.

18 COMMISSIONER CLARK: Move to approve the
19 stipulations in the 04, docket, Mr. Chairman.

20 COMMISSIONER GRAHAM: Second.

21 CHAIRMAN LA ROSA: Hearing a motion, and
22 hearing a second.

23 All those in favor signify by saying yay.

24 (Chorus of yays.)

25 CHAIRMAN LA ROSA: Yay.

1 Opposed no.

2 (No. response.)

3 CHAIRMAN LA ROSA: Show that the motion
4 passes.

5 Are there any other matters that need to be
6 addressed in the 04 docket? Still here on 04.

7 MR. SPARKS: All issues, testimony and
8 exhibits having been stipulated, and all
9 stipulations having been approved by the
10 Commission, staff has no additional matters to
11 address.

12 CHAIRMAN LA ROSA: All right. No other
13 matters, then, to be addressed. Let's go ahead and
14 close out the 04 docket and let's proceed now to
15 the 07 docket.

16 (Proceedings concluded.)

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

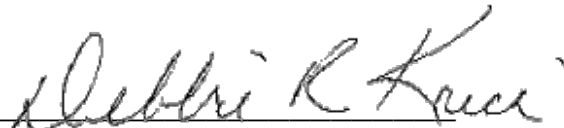
STATE OF FLORIDA)
COUNTY OF LEON)

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

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

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

DATED this 22nd day of November, 2024.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028