



ST. JOE NATURAL GAS COMPANY, INC.

ORIGINAL

P.O. BOX 549 PHONE 229-8216
PORT ST. JOE, FLORIDA 32457

January 9, 1998

Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. ~~980002-EG~~

Dear Ms. Bayo,

Enclosed for filing in the above referenced docket is the original and ten (10) 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 March 31, 1999. 00559-98

1. Schedules C-1 through C-4 00540-98
2. Direct Testimony of Debbie Stitt
3. Prehearing Statement and; 00561-98
4. List of Issues and Positions 00562-98

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

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
JAN 12 AM 7:18
MAIL ROOM

ACK _____
AFA *Vasquez* _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1 _____
LIN *3/09* _____
OPD _____
RCH _____
SEC 1 _____
WAS _____
YTH _____

Enclosures

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

2 In Re: Conservation Cost)
3 Recovery Clause)
4 _____)

Docket No. ~~980002-EG~~
Submitted for Filing
January 12, 1998

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

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

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

12 Q. What is the purpose of your testimony?

13 A. My purpose is to submit the known and projected
14 expenses and revenues associated with SJNG's
15 conservation programs incurred in October and November
16 1997 and projection costs to be incurred from December
17 1997 through September 1998. It will also include
18 projected conservation costs for the period October
19 1, 1998 through March 31, 1999 with a calculation
20 of the conservation adjustment factors to be applied
21 to the customers bills during the April 1, 1998
22 through March 31, 1999 period.

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

25 A. Yes, I have prepared and filed to the Commission the

DOCUMENT NUMBER-DATE
~~00560~~ JAN 12 98
FPSC-RECORDS/REPORTING

1 12th day of January 1998 Schedules C1 through C4
2 prescribed by the Commission Staff which have
3 collectively been entitled "Energy Conservation
4 Adjustment Summary of Cost Recovery Clause Calculation
5 for months April 1, 1998 through March 31, 1999"
6 for identification.

7 Q. What Conservation Adjustment Factor does St. Joe
8 Natural Gas seek approval through its petition for
9 the twelve month period ending March 31, 1999.

10 A. \$0.03140 per therm for Residential, \$0.04283 per
11 therm for Commercial, and \$0.01690 for Large
12 Commercial.

13 Q. Does this conclude your testimony?

14 A. Yes.

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 980002-EG
Submitted for Filing
January 12, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Petition, together with the attached Schedules C-1 through C-4, direct testimony of Debbie Stitt, Prehearing Statements and a List of Preliminary Issues and Positions have been served upon all known parties of record in this docket by U.S. Mail dated this 12th day of January 1998.

Wayne Schiefelbein, Esq.
Gatlin, Woods, Carlson
1709-D Mahan Drive
Tallahassee, FL. 32308

Norman Horton, Esq.
Messer, Vickers, French,
Caparello, & Madsen
P.O. Box 1876
Tallahassee, Fl. 32302

James D. Beasley, Esq.
Ausley, McMullen, McGhee
Carothers & Proctor
P.O. Box 391
Tallahassee, Florida 32302

R. Scheffel Wright, Esq.
Landers & Parsons
P.O. Box 271
Tallahassee, Fl. 32302

James McGee, Esq.
Florida Power Corp.
3201 34th Street, South
P.O. Box 14042
St. Petersburg, FL 37333

Charles A. Guyton, Esq.
Steel, Hector & Davis
Suite 601, 215 S. Monroe
Tallahassee, FL 32301

Jeffery Stone, Esq.
Beggs & Lane
P.O. Box 12950
Pensacola, Fl. 32576-2930

Ansley Watson, Jr. Esq.
MacFarlane, Ferguson
Allison & Kelly
P.O. Box 1531
Tampa, Fl. 33601

St. Joe Natural Gas Company, Inc.
Docket No. 980002-EG
January 12, 1998

Joseph A. McGlothlin, Esq.
Lawson, McWhirter, Grandoff
& Reeves
315 S. Calhoun Street #716
Tallahassee, Florida 32301

Vicki Kaufman
McWhirter, Grandoff
315 S. Calhoun St.
Suite 716
Tallahassee, Fl. 32301

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION
OCTOBER 1998 THROUGH MARCH 1999

PROJECTED PERIOD: OCTOBER 1998 THROUGH MARCH 1999
 ACTUAL/ESTIMATED PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
 FINAL TRUE-UP PERIOD: OCTOBER 1996 THROUGH SEPTEMBER 1997
 COLLECTION PERIOD FOR PRIOR TRUE-UP: APRIL 1996 THROUGH MARCH 1999

| | |
|-------------------------------------|---------------|
| 1. INCREMENTAL COSTS (SCHEDULE C-2) | 22,000 |
| 2. TRUE-UP (SCHEDULE C-3) | <u>6,548</u> |
| 3. TOTAL | <u>28,548</u> |

| RATE CLASS | BILLS | THERM SALES | CUSTOMER CHARGE REVENUES | ENERGY CHARGE | TOTAL | ESTIMATED ECCR | % SURCHARGE | CENTS PER THERM | EXPANSION FACTOR | ECCR ADJUSTMENT FACTORS |
|------------------|---------------|------------------|--------------------------|---------------|----------------|----------------|-------------|-----------------|------------------|-------------------------|
| RESIDENTIAL | 18,427 | 754,167 | 73,706 | 70,605 | 144,311 | 23,004 | 15.9403% | 0.0305 | 1.0296 | 0.03140 |
| COMMERCIAL | 1,172 | 58,991 | 8,591 | 8,803 | 15,394 | 2,454 | 15.9403% | 0.0416 | 1.0296 | 0.04283 |
| LARGE COMMERCIAL | 298 | 188,321 | 7,436 | 11,955 | 19,392 | 3,091 | 15.9403% | 0.0164 | 1.0296 | 0.01690 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 15.9403% | ERR | 1.02960 | ERR |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 15.9403% | ERR | 1.02960 | ERR |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 15.9403% | ERR | 1.02960 | ERR |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ERR | 0.00000 | ERR |
| TOTAL | 19,896 | 1,001,479 | 89,734 | 89,363 | 179,097 | 28,548 | | | | |

DOCUMENT NUMBER DATE
 0560 JAN 12 89
 ST. JOE NATURAL GAS

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: OCTOBER 1998 THROUGH MARCH 1999

PROGRAM NAME

| | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---------------------------|-----------------------|-----------------------|-------------------------|-------------|------------|---------------------|---------|-------|--------|
| 1. BUILDER PROGRAM | 0 | 0 | 0 | 0 | 10000 | 0 | 0 | 0 | 10000 |
| 2. ELECTRIC REPLACEMENT | 0 | 0 | 0 | 0 | 12000 | 0 | 0 | 0 | 12000 |
| 3. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. (INSERT NAME) | 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 |
| 12. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 0 | 0 | 0 | 0 | 22,000 | 0 | 0 | 0 | 22,000 |
| LESS: AMOUNT IN RATE BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RECOVERABLE CONSER. | 0 | 0 | 0 | 0 | 22,000 | 0 | 0 | 0 | 22,000 |

CONSERVATION PROGRAM COSTS - CAPITAL INVESTMENTS,
DEPRECIATION, AND RETURN
FOR MONTHS: OCTOBER 1998 THROUGH MARCH 1999

BEGINNING OF PERIOD CUMULATIVE INVESTMENT: 0
 LESS: ACCUMULATED DEPRECIATION: 0
 NET INVESTMENT 0

| DESCRIPTION | MONTH NO. 1 | MONTH NO. 2 | MONTH NO. 3 | MONTH NO. 4 | MONTH NO. 5 | MONTH NO. 6 | TOTAL |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|
| INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPRECIATION BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPRECIATION EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CUMULATIVE INVEST. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS: ACCUM. DEPR | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AVERAGE INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RETURN ON AVG INVEST | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RETURN REQUIREMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DEPR & RETURN | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

| | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|-------------------------|-----------------------|-----------------------|-------------------------|-------------|------------|---------------------|---------|-------|--------|
| 1. BUILDER PROGRAM | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 1,200 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 4,500 | 0 | 0 | 0 | 4,500 |
| C. TOTAL | 0 | 0 | 0 | 0 | 5,700 | 0 | 0 | 0 | 5,700 |
| 2. ELECTRIC REPLACEMENT | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 5,625 | 0 | 0 | 0 | 5,625 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 8,100 | 0 | 0 | 0 | 8,100 |
| C. TOTAL | 0 | 0 | 0 | 0 | 13,725 | 0 | 0 | 0 | 13,725 |
| 3. (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 |
| 4. (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 |
| 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 |
| C. 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 |
| 7. (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 | 19,425 | 0 | 0 | 0 | 19,425 |

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

| | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|----------------------------|--------------------|--------------------|----------------------|-------------|------------|------------------|---------|-------|--------|
| BALANCE FROM PREVIOUS PAGE | 0 | 0 | 0 | 0 | 19,425 | 0 | 0 | 0 | 19,425 |
| 8. (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 |
| 9. (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 |
| 10. (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 |
| 11. (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 |
| 12. (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 |
| 13. (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 | 19,425 | 0 | 0 | 0 | 19,425 |

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

| | CAPITAL INVESTMENT | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|----------------------------|--------------------|--------------------|----------------------|-------------|------------|------------------|---------|-------|--------|
| BALANCE FROM PREVIOUS PAGE | 0 | 0 | 0 | 0 | 19,425 | 0 | 0 | 0 | 19,425 |
| 14. (INSERT NAME) | 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 |
| 15. (INSERT NAME) | 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 |
| 16. (INSERT NAME) | 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 |
| 17. (INSERT NAME) | 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 |
| 18. (INSERT NAME) | 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 |
| 19. (INSERT NAME) | 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 |
| 20. (INSERT NAME) | 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 PROG. COSTS | 0 | 0 | 0 | 0 | 19,425 | 0 | 0 | 0 | 19,425 |
| LESS: BASE RATE RECOVERY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET PROG. COSTS | 0 | 0 | 0 | 0 | 19,425 | 0 | 0 | 0 | 19,425 |

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

| CONSERVATION REVS | OCT MONTH NO.1 | NOV MONTH NO. 2 | DEC 96 MONTH NO. 3 | JAN 97 MONTH NO. 4 | FEB MONTH NO. 5 | MAR MONTH NO. 6 | APR MONTH NO. 7 | MAY MONTH NO. 8 | JUN MONTH NO. 9 | JUL MONTH NO. 10 | AUG MONTH NO. 11 | SEP MONTH NO. 12 | TOTAL |
|--|----------------------|-----------------------|--------------------------|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|----------|
| 1. RCS AUDIT FEE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. OTHER PROG. REVS. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. CONSERV. ADJ REVS. | (970) | (1,967) | (2,854) | (2,854) | (2,854) | (2,854) | 0 | 0 | 0 | 0 | 0 | 0 | (14,351) |
| 4. TOTAL REVENUES | (970) | (1,967) | (2,854) | (2,854) | (2,854) | (2,854) | 0 | 0 | 0 | 0 | 0 | 0 | (14,351) |
| 5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD | 227 | 227 | 227 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 1,362 |
| 6. CONSERV. REVS. APPLICABLE TO THE PERIOD | (743) | (1,740) | (2,827) | (2,778) | (2,778) | (2,778) | 76 | 76 | 76 | 76 | 76 | 76 | (12,989) |
| 7. CONSERV. EXPS. | 3,950 | 625 | 2,250 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 19,425 |
| 8. TRUE-UP THIS PERIOD | 3,207 | (1,115) | (377) | (1,378) | (1,378) | (1,378) | 1,476 | 1,476 | 1,476 | 1,476 | 1,476 | 1,476 | 6,436 |
| 9. INTER. PROVISION THIS PERIOD | 13 | 17 | 13 | 8 | 1 | (6) | (6) | 1 | 8 | 14 | 21 | 28 | 113 |
| 10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH | 1,362 | 4,355 | 3,030 | 2,440 | 994 | (458) | (1,917) | (523) | 878 | 2,285 | 3,700 | 5,121 | 1,362 |
| 11. PRIOR TRUE-UP COLLECTED OR (REFUNDED) | (227) | (227) | (227) | (76) | (76) | (76) | (76) | (76) | (76) | (76) | (76) | (76) | (1,362) |
| 12. TOTAL NET TRUE-UP | 4,355 | 3,030 | 2,440 | 994 | (458) | (1,917) | (523) | 878 | 2,285 | 3,700 | 5,121 | 6,548 | 6,548 |

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: OCTOBER 1997 THROUGH SEPTEMBER 1998
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

| INTEREST PROVISION | MONTH NO.1 | MONTH NO. 2 | MONTH NO. 3 | MONTH NO. 4 | MONTH NO. 5 | MONTH NO. 6 | MONTH NO. 7 | MONTH NO. 8 | MONTH NO. 9 | MONTH NO. 10 | MONTH NO. 11 | MONTH NO. 12 | TOTAL |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-------|
| 1. BEGINNING TRUE-UP | 1,362 | 4,355 | 3,030 | 2,440 | 994 | (458) | (1,917) | (523) | 878 | 2,285 | 3,700 | 5,121 | |
| 2. ENDING TRUE-UP BEFORE INTEREST | 4,342 | 3,013 | 2,427 | 986 | (459) | (1,912) | (517) | 877 | 2,278 | 3,685 | 5,100 | 6,521 | |
| 3. TOTAL BEGINNING & ENDING TRUE-UP | 5,704 | 7,368 | 5,457 | 3,426 | 535 | (2,370) | (2,435) | 354 | 3,155 | 5,970 | 8,799 | 11,641 | |
| 4. AVERAGE TRUE-UP (LINE 3 TIMES 50%) | 2,852 | 3,684 | 2,728 | 1,713 | 267 | (1,185) | (1,217) | 177 | 1,578 | 2,985 | 4,400 | 5,821 | |
| 5. INTEREST RATE FIRST DAY OF REPORTING MONTH | 5.530% | 5.530% | 5.600% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | |
| 6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH | 5.530% | 5.600% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | |
| 7. TOTAL (SUM LINES 5 & 6) | 11.060% | 11.130% | 11.350% | 11.500% | 11.500% | 11.500% | 11.500% | 11.500% | 11.500% | 11.500% | 11.500% | 11.500% | |
| 8. AVG. INTEREST RATE (LINE 7 TIMES 50%) | 5.530% | 5.565% | 5.675% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | 5.750% | |
| 9. MONTHLY AVG INTEREST RATE | 0.461% | 0.464% | 0.473% | 0.479% | 0.479% | 0.479% | 0.479% | 0.479% | 0.479% | 0.479% | 0.479% | 0.479% | |
| 10. INTEREST PROVISION | 13 | 17 | 13 | 8 | 1 | (6) | (6) | 1 | 8 | 14 | 21 | 28 | 113 |

ST JOE NATURAL GAS COMPANY, INC.
PROGRAM DESCRIPTION AND PROGRESS

Docket No. 980002-EG
St. Joe Natural Gas Company
(DKS)

PROGRAM TITLE: -----

Single & Multi-Family Home Builder Program

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.

| Appliance Load | Allowance |
|----------------------|------------|
| Gas Heating | \$250.00 |
| Gas Water Heating | \$175.00 |
| Gas Air Conditioning | \$1,400.00 |
| | ----- |
| | \$1,825.00 |

PROGRAM PROJECTIONS FOR: -----

OCTOBER 1998 THROUGH MARCH 1999

| | Gas Water Heating | Gas Heating | Gas Air Conditioning |
|----------------------------|-------------------|-------------|----------------------|
| Dec 97 - Sept 98 (13 mths) | 20 | 5 | 0 |
| Oct 98 - Mar 99 (5 mths) | 8 | 4 | 0 |

PROGRAM FISCAL EXPENSES FOR: -----

Oct 1, 1997 - March 31, 1999

| | |
|-----------------|----------|
| Oct 97 - Nov 97 | \$1,200 |
| Dec 97 - Sep 98 | \$4,500 |
| Oct 98 - Mar 99 | \$10,000 |

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 specifies to the builder the type of energy desired. There is almost no speculative new construction.

PROGRAM TITLE: -----

Electric Resistance 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 and air conditioners. 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 | \$450.00 |
| Gas Water Heating | \$225.00 |
| Gas Air Conditioning | \$1,500.00 |
| | ----- |
| | \$2,175.00 |

PROGRAM PROJECTIONS FOR: -----

OCTOBER 1998 THROUGH MARCH 1999

Dec 97 - Sept 98 (10 months)
Oct 98 - Mar 99 (5 months)

| Gas Water Heating | Gas Heating | Gas Air Conditioning |
|-------------------|-------------|----------------------|
| 22 | 5 | 0 |
| 13 | 3 | 0 |

PROGRAM FISCAL EXPENSES FOR: -----

Oct 1, 1997 - March 31, 1999

Oct 97 - Nov 97
Dec 97 - Sep 98
Oct 98 - Mar 99

| | |
|--------------------|----------|
| Actual Expenses | \$5,025 |
| Estimated Expenses | \$4,100 |
| Estimated Expenses | \$12,000 |

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.