

1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2. In Re: Conservation Cost
3. Recovery Clause

Docket No. 040004-EG
Filing Date: April 30, 2004

4. _____/

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

7.

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

10. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456

11. St. Joe Natural Gas Company in the capacity of Energy
12. Conservation Analyst.

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

14. A. My purpose is to submit the expenses and revenues
15. associated with the Company's conservation programs
16. during the twelve month period ending December 31, 2003
17. and to identify the final true-up amount related to that
18. period.

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

21. A. Yes, I have prepared and filed together with this testi-
22. mony this 30th day of April, 2004 Schedules CT-1 through
23. CT-5 prescribed by the Commission Staff which have
24. collectively been entitled "Adjusted Net True-up for
25. twelve months ending December 31, 2003" for identi-
fication.

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

3. A. \$18,225.00

4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2003?

6. A. An over-recovery of \$1,375.00?

7. Q. Does this conclude your testimony?

9. A. Yes

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FOR MONTHS: ADJUSTED NET TRUE-UP
 JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPLE	(5,572)	
INTEREST	<u>(55)</u>	(5,627)

LESS PROJECTED TRUE-UP

PRINCIPLE	(4,197)	
INTEREST	<u>(55)</u>	<u>(4,252)</u>

ADJUSTED NET TRUE-UP		<u><u>(1,375)</u></u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	18,225	13,150	5,075
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	18,225	13,150	5,075
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	18,225	13,150	5,075
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT REVENUES	(23,797)	(17,347)	(6,450)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(5,572)	(4,197)	(1,375)
INTEREST PROVISION	<u>(55)</u>	<u>(55)</u>	<u>0</u>
END OF PERIOD TRUE-UP	<u>(5,627)</u>	<u>(4,252)</u>	<u>(1,375)</u>

() REFLECTS OVER-RECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	9,900	0	0	0	9,900
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	8,325	0	0	0	8,325
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	18,225	0	0	0	18,225

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	2,600	0	0	0	2,600
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	2,475	0	0	0	2,475
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	0	0	0	5,075	0	0	0	5,075

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	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
PROGRAM 1:	700	175	1,125	350	1,525	1,950	950	525	175	875	1,375	175	9,900
PROGRAM 2:	450	1,350	1,125	1,350	0	450	225	900	675	0	1,125	675	8,325
PROGRAM 3:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 4:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

CONSERVATION REVENUES	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. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(5,263)	(4,271)	(2,015)	(1,851)	(1,153)	(988)	(1,088)	(950)	(954)	(1,062)	(1,075)	(3,359)	(24,029)
4. TOTAL REVENUES	(5,263)	(4,271)	(2,015)	(1,851)	(1,153)	(988)	(1,088)	(950)	(954)	(1,062)	(1,075)	(3,359)	(24,029)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	19	19	19	19	19	19	19	19	19	19	19	19	232
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(5,244)	(4,252)	(1,996)	(1,832)	(1,133)	(969)	(1,069)	(931)	(935)	(1,042)	(1,056)	(3,339)	(23,797)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225
8. TRUE-UP THIS PERIOD	(4,094)	(2,727)	254	(132)	392	1,431	106	494	(85)	(167)	1,444	(2,489)	(5,572)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(2)	(6)	(7)	(6)	(6)	(5)	(4)	(4)	(4)	(4)	(3)	(4)	(55)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	232	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	(5,627)	(5,627)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

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	232	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	
2. ENDING TRUE-UP BEFORE INTEREST	(3,881)	(6,630)	(6,400)	(6,558)	(6,192)	(4,786)	(4,704)	(4,233)	(4,342)	(4,532)	(3,111)	(5,623)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(3,649)	(10,513)	(13,035)	(12,964)	(12,756)	(10,985)	(9,495)	(8,941)	(8,579)	(8,877)	(7,647)	(8,737)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,825)	(5,256)	(6,518)	(6,482)	(6,378)	(5,492)	(4,748)	(4,471)	(4,289)	(4,439)	(3,823)	(4,369)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	1.060%	
7. TOTAL (SUM LINES 5 & 6)	2.560%	2.520%	2.430%	2.370%	2.400%	2.210%	2.050%	2.110%	2.120%	2.110%	2.050%	2.060%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.055%	1.060%	1.055%	1.025%	1.030%	
9. MONTHLY AVG INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(2)	(6)	(7)	(6)	(6)	(5)	(4)	(4)	(4)	(4)	(3)	(4)	(55)

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHES
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM TITLE. SINGLE & MULTI-FAMILY 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 INSTALLATIONS.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$250.00
GAS WATER HEATING	\$175.00
GAS AIR CONDITIONING	\$1,400.00
	<u>\$1,825.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	32
	PLANNED HEATING SYSTEMS:	14
	PLANNED AIR CONDITIONING:	0

<u>PROGRAM FISCAL EXPENDITURES.</u>	ACTUAL EXPEND. W/O INTEREST:	\$9,900
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<u>PROGRAM PROGRESS SUMMARY.</u>	INSTALLED WATER HEATERS:	26
	INSTALLED HEATING SYSTEMS:	13
	INSTALLED AIR CONDITIONING:	0

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHES
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM TITLE: Electric Replacement Program

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO PROMOTE THE REPLACEMENT OF ELECTRIC RESISTENCE APPLIANCES WITH ENERGY EFFICIENT NATURAL GAS APPLIANCES. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST IN DEFRAYING THE ADDITIONAL COSTS IN PURCHASING AND INSTALLING NATURAL GAS APPLIANCES.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$450.00
GAS WATER HEATING	\$225.00
GAS AIR CONDITIONING	\$1,500.00
	<u>\$2,175.00</u>

PROGRAM ACCOMPLISHMENTS: PLANNED WATER HEATERS: 55
PLANNED HEATING SYSTEMS: 0
PLANNED AIR CONDITIONING: 0

PROGRAM FISCAL EXPENDITURES: ACTUAL EXPEND. W/O INTEREST: \$8,325

PROGRAM PROGRESS SUMMARY: INSTALLED WATER HEATERS: 32
INSTALLED HEATING SYSTEMS: 1
INSTALLED AIR CONDITIONING: 0