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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 040004-EG  
Submitted for Filing  
September 24, 2004

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 August  
2004 and projection costs to be incurred from Sept.  
2004 through December 2004. It will also include  
projected conservation costs for the period January  
1, 2005 through December 31, 2005 with a calculation  
of the conservation adjustment factors to be applied  
to the customers bills during the January 1, 2005  
through December 31, 2005 period.

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

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

1           24<sup>th</sup> day of September 2004 Schedule C1  
2           prescribed by the Commission Staff which has  
3           collectively been entitled "Energy Conservation  
4           Adjustmnt Summary of Cost Recovery Clause Calculation  
5           for months January 1, 2005 through December 31, 2005"  
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 December 31, 2005.

10     A.   \$0.00776 per therm for Residential, \$0.00652 per  
11           therm for Small Commercial, and \$0.00305 for  
12           Commercial.

13     Q.   Does this conclude your testimony?

14     A.   Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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Recovery )  
\_\_\_\_\_ )

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing  
Testimony has been served upon all known parties of record in this  
docket by U.S. Mail dated this 24th day of September 2004.

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Fl Div. Of Chesapeake  
Mr Thomas A Geoffroy  
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Fl Public Utilities Co  
John T English/George Bachman  
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Peoples Gas System  
Matthew Costa/Angela Llewellyn  
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ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2005 THROUGH DECEMBER 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	14,325
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(5,701)
3. TOTAL (LINE 1 AND LINE 2)	8,624

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	36,661	938,096	329,949	357,283	687,232	7,246	1.05438%	0.00772	1.00503	0.00776
SMALL COMMERCIAL	2,646	101,476	23,814	38,648	62,462	659	1.05438%	0.00649	1.00503	0.00652
COMMERCIAL	480	237,426	19,200	49,064	68,264	720	1.05438%	0.00303	1.00503	0.00305
OTHER										
TOTAL	39,787	1,276,998	372,963	444,995	817,958	8,624.41				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	JAN 2005	FEB 2005	MAR 2005	APR 2005	MAY 2005	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	NOV 2005	DEC 2005	TOTAL
1 HOME BUILDER PROGRAM	700	0	1,600	175	525	350	950	350	525	1,675	875	525	8,250
2 WATER HEATER REPLACE	450	225	450	450	450	900	900	450	450	450	225	225	5,625
3 HOME HEATING REPLACE	450	0	0	0	0	0	0	0	0	0	0	0	450
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
0 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
1 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>1,600</b>	<b>225</b>	<b>2,050</b>	<b>625</b>	<b>975</b>	<b>1,250</b>	<b>1,850</b>	<b>800</b>	<b>975</b>	<b>2,125</b>	<b>1,100</b>	<b>750</b>	<b>14,325</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	8,250	0	0	0	8,250
2 WATER HEATER REPLACE	0	0	0	0	5,625	0	0	0	5,625
3 HOME HEATING REPLACE	0	0	0	0	450	0	0	0	450
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
<b>PROGRAM COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,325</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,325</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROG									
A. ACTUAL	0	0	0	0	9,850	0	0	0	9,850
B. ESTIMATED	0	0	0	0	0	0	0	0	0
MULIT-FAMILY HM BUILDER	0	0	0	0	9,850	0	0	0	9,850
2 WATER HEATER REPLACE									
A. ACTUAL	0	0	0	0	4,275	0	0	0	4,275
B. ESTIMATED	0	0	0	0	0	0	0	0	0
ELECTRIC REPLACEMENT	0	0	0	0	4,275	0	0	0	4,275
3 HOME HEATING REPLACE									
A. ACTUAL	0	0	0	0	450	0	0	0	450
B. ESTIMATED	0	0	0	0	0	0	0	0	0
DEALER PROGRAM	0	0	0	0	450	0	0	0	450
4 CONSERVATION EDUC									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
SCHOOLS PROGRAM	0	0	0	0	0	0	0	0	0
5 COMMON COSTS									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	0	0	0	14,575	0	0	0	14,575

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	14,575	0	0	0	14,575
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,575</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,575</b>



CONSERVATION PROGRAM COSTS BY PROGRAM  
 ACTUAL/ESTIMATED  
 JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
HOME BUILDER PROG.	2,250	175	700	350	1,925	2,175	1,050	1,225	0	0	0	0	9,850
WATER HEAT REPLACE.	1,350	225	675	225	450	675	225	450	0	0	0	0	4,275
HOME HEAT REPLACE	450	0	0	0	0	0	0	0	0	0	0	0	450
CONS. EDUC	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	4,050	400	1,375	575	2,375	2,850	1,275	1,675	0	0	0	0	14,575

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2004 THROUGH DECEMBER 2004

	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	(3,826)	(3,405)	(2,309)	(1,607)	(1,001)	(896)	(791)	(735)	0	0	0	0	(14,571)
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	(3,826)	(3,405)	(2,309)	(1,607)	(1,001)	(896)	(791)	(735)	0	0	0	0	(14,571)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(5,627)
CONSERVATION REVS. APPLIC. TO PERIOD	(4,295)	(3,874)	(2,778)	(2,076)	(1,470)	(1,365)	(1,260)	(1,204)	(469)	(469)	(469)	(469)	(20,198)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	4,050	400	1,375	575	2,375	2,850	1,275	1,675	0	0	0	0	14,575
TRUE-UP THIS PERIOD	(245)	(3,474)	(1,403)	(1,501)	905	1,485	15	471	(469)	(469)	(469)	(469)	(5,623)
INTEREST THIS PERIOD (C-3,PAGE 5)	(5)	(6)	(7)	(8)	(8)	(8)	(8)	(7)	(5)	(5)	(5)	(5)	(78)
TRUE-UP & INT. BEG. OF MONTH	(5,627)	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	
PRIOR TRUE-UP COLLECT./(REFUND.)	469	469	469	469	469	469	469	469	469	469	469	469	
END OF PERIOD TOTAL NET TRUE-UP	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	(5,701)	(5,701)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2004 THROUGH DECEMBER 2004

	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(5,627)	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	
END. T-UP BEFORE INT.	(5,403)	(8,412)	(9,353)	(10,392)	(9,026)	(7,081)	(6,605)	(5,674)	(5,680)	(5,686)	(5,691)	(5,696)	
TOT. BEG. & END. T-UP	(11,030)	(13,820)	(17,771)	(19,752)	(19,427)	(16,115)	(13,694)	(12,287)	(11,361)	(11,371)	(11,381)	(11,391)	
AVERAGE TRUE-UP	(5,515)	(6,910)	(8,885)	(9,876)	(9,713)	(8,058)	(6,847)	(6,144)	(5,680)	(5,686)	(5,691)	(5,696)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.06%	1.03%	1.01%	0.98%	1.03%	1.04%	1.33%	1.60%	1.06%	1.06%	1.06%	1.06%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.03%	1.01%	0.98%	1.03%	1.04%	1.33%	1.60%	1.06%	1.06%	1.06%	1.06%	1.06%	
TOTAL	2.09%	2.04%	1.99%	2.01%	2.07%	2.37%	2.93%	2.66%	2.12%	2.12%	2.12%	2.12%	
AVG INTEREST RATE	1.05%	1.02%	1.00%	1.01%	1.04%	1.19%	1.47%	1.33%	1.06%	1.06%	1.06%	1.06%	
MONTHLY AVG. RATE	0.09%	0.09%	0.08%	0.08%	0.09%	0.10%	0.12%	0.11%	0.09%	0.09%	0.09%	0.09%	
INTEREST PROVISION	(\$5)	(\$6)	(\$7)	(\$8)	(\$8)	(\$8)	(\$8)	(\$7)	(\$5)	(\$5)	(\$5)	(\$5)	(\$78)

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.

<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>

PROGRAM PROJECTIONS FOR:

JANUARY 2004 THROUGH DECEMBER 2005

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2004 - DECEMBER 2004 (12 MTHS)	52		3
JANUARY 2005 - DECEMBER 2005 (12 MTHS)	30		12

PROGRAM FISCAL EXPENSES FOR:

JANUARY 04 - DECEMBER 05

JANUARY 04 - AUGUST 04	ACTUAL EXPENSES	9,850.00
SEPTEMBER 04 - DECEMBER 04	ESTIMATED EXPENSES	0.00
JANUARY 2005 - DECEMBER 2005	ESTIMATED EXPENSES	8,250.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired. 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 of 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 PROJECTIONS FOR: JANUARY 2004 THROUGH DECEMBER 2005

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2004 - DECEMBER 2004 (12 MTHS)	19		1
JANUARY 2005 - DECEMBER 2005 (12 MTHS)	25		1

PROGRAM FISCAL EXPENSES FOR: JANUARY 2004 THROUGH DECEMBER 2005

JANUARY 04 - AUGUST 04	ACTUAL EXPENSES	4,725.00
SEPTEMBER 04 - DECEMBER 04	ESTIMATED EXPENSES	0.00
JANUARY 2005 - DECEMBER 2005	ESTIMATED EXPENSES	6,075.00

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