

ST JOE ORIGINAL NATURAL GAS

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Serving Florida's Panhandle Since 1963

P. O. Box 549 / Port St. Joe, FL 32457
301 Long Avenue / Port St. Joe, FL 32456
tel 850.229.8216 / fax 850.229.8392
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2006 SEP 21 AM 7:20

September 20, 2006

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

Re: Docket No. 060004-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 December 31, 2007.

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

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

Thank you for your assistance.

Very truly yours,

Debbie Stitt
Energy Conservation Analyst

MP _____
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 TH Kia P.

Enclosures

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DOCUMENT NUMBER-DATE

08715 SEP 21 g.

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 060004-EG
Submitted for filing
September 20, 2006

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

=====

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

In support hereof the company states:

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

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

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

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

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

St. Joe Natural Gas Company, Inc.

Docket No. 060004-EG

September 20, 2006

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4. The Conservation Cost Recovery Factor was calculated in accordance with the methodology which has been previously approved by the Commission in this docket. The factor is designed to recover the projected conservation program expenses of **SJNG** for the twelve month period ending December 31, 2007 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2006), as well as interest calculated in accordance with the methodology established by the Commission.

5. **SJNG** projects total conservation program expenses, net of all programs revenue of \$10,975.00 for the twelve month period ending December 31, 2007. The estimated net true-up for the twelve months ending December 31, 2006 is an over-recovery of \$3,978.00. After decreasing the projected conservation expenses by the amount of this overrecovery, a total of \$6,997.00 remains to be collected during the twelve months ending December 31, 2007. Dividing this total by the projected sales for the period of 1,121,152 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.00721 per therm for residential, \$0.00582 per therm for commercial and \$0.00279 for large commercial respectively which **SJNG** seeks approval in this petition. The calculation of these factors per therm are contained in the Commission prescribed worksheets filed with this petition.

St. Joe Natural Gas Company, Inc.

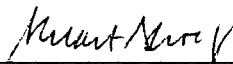
Docket No. 060004-EG

September 20, 2006

Page 3

WHEREFORE, St. Joe Natural Gas Company, Inc. requests that this Commission enter its order approving the above conservation cost recovery factors to be applied to the appropriate customer bills during the twelve month period ending December 31, 2007 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 20th day of September 2006.



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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 060004-EG
Submitted for Filing
September 20, 2006

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 2006 and projection costs to be incurred from Sept. 2006 through December 2006. It will also include projected conservation costs for the period January 1, 2007 through December 31, 2007 with a calculation of the conservation adjustment factors to be applied to the customers bills during the January 1, 2007 through December 31, 2007 period.

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

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

1 20th day of September 2006 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, 2007 through December 31, 2007"
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, 2007.

10 A. \$0.00721 per therm for Residential, \$0.00582 per
11 therm for Small Commercial, and \$0.00279 for
12 Commercial.

13 Q. Does this conclude your testimony?

14 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 060004-EG
Submitted for Filing
September 20, 2006

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 20th day of September 2006.

Wayne Schiefelbein, Esq.
Rose, Sundstrom & Bentley, LLP
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Tallahassee, FL. 32301

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West Palm Beach, Fl 33402-3395

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Matthew Costa/Angela Llewellyn
PO Box 111
Tampa, Fl 33601-0111

Katherine E Fleming, Senior Attorney
Office of the General Counsel
Fl Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl 32399

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

DOCUMENT NUMBER - DATE
08715 SEP 21 08
FPSC-COMMISSION CLERK

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	10,975
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(3,978)
3. TOTAL (LINE 1 AND LINE 2)	6,997

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	35,296	818,266	317,664	311,645	629,309	5,871	0.93293%	0.00717	1.00503	0.00721
SMALL COMMERCIAL	2,518	94,488	22,662	35,987	58,649	547	0.93293%	0.00579	1.00503	0.00582
COMMERCIAL	475	208,398	19,000	43,065	62,065	579	0.93293%	0.00278	1.00503	0.00279
OTHER										
TOTAL	38,289	1,121,152	359,326	390,697	750,023	6,997.23				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
1 HOME BUILDER PROGRAM	0	2,350	350	700	0	350	700	700	875	525	600	675	7,825
2 WATER HEATER REPLACE	675	225	450	0	0	225	0	0	0	0	225	450	2,250
3 HOME HEATING REPLACE	450	0	0	0	0	450	0	0	0	0	0	0	900
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
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 (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
TOTAL ALL PROGRAMS	1,125	2,575	800	700	0	1,025	700	700	875	525	825	1,125	10,975

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	7,825	0	0	0	7,825
2 WATER HEATER REPLACE	0	0	0	0	2,250	0	0	0	2,250
3 HOME HEATING REPLACE	0	0	0	0	900	0	0	0	900
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	0	0	0	10,975	0	0	0	10,975

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROG									
A. ACTUAL	0	0	0	0	6,725	0	0	0	6,725
B. ESTIMATED	0	0	0	0	0	0	0	0	0
MULTI-FAMILY HM BUILDER	0	0	0	0	6,725	0	0	0	6,725
2 WATER HEATER REPLACE									
A. ACTUAL	0	0	0	0	450	0	0	0	450
B. ESTIMATED	0	0	0	0	0	0	0	0	0
ELECTRIC REPLACEMENT	0	0	0	0	450	0	0	0	450
3 HOME HEATING REPLACE									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
DEALER PROGRAM	0	0	0	0	0	0	0	0	0
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	7,175	0	0	0	7,175

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	7,175	0	0	0	7,175
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	7,175	0	0	0	7,175

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2006 THROUGH DECEMBER 2006

	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	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.	(1,282)	(1,008)	(851)	(1,022)	(390)	(417)	(338)	(324)	0	0	0	0	(5,632)
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	(1,282)	(1,008)	(851)	(1,022)	(390)	(417)	(338)	(324)	0	0	0	0	(5,632)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(5,348)
CONSERVATION REVS. APPLIC. TO PERIOD	(1,727)	(1,453)	(1,297)	(1,468)	(835)	(863)	(783)	(770)	(446)	(446)	(446)	(446)	(10,980)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	3,025	1,300	2,150	700	0	0	0	0	0	0	0	0	7,175
TRUE-UP THIS PERIOD	1,298	(153)	853	(768)	(835)	(863)	(783)	(770)	(446)	(446)	(446)	(446)	(3,805)
INTEREST THIS PERIOD (C-3,PAGE 5)	(16)	(13)	(10)	(9)	(11)	(13)	(15)	(17)	(17)	(17)	(17)	(17)	(173)
TRUE-UP & INT. BEG. OF MONTH	(5,348)	(3,621)	(3,342)	(2,054)	(2,385)	(2,785)	(3,215)	(3,568)	(3,909)	(3,926)	(3,943)	(3,960)	
PRIOR TRUE-UP COLLECT./(REFUND.)	446	446	446	446	446	446	446	446	446	446	446	446	
END OF PERIOD TOTAL NET TRUE-UP	(3,621)	(3,342)	(2,054)	(2,385)	(2,785)	(3,215)	(3,568)	(3,909)	(3,926)	(3,943)	(3,960)	(3,978)	(3,978)

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 2006 THROUGH DECEMBER 2007

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2006 - DECEMBER 2006 (12 MTHS)	27		1
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	29		11

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

JANUARY 06 - AUGUST 06	ACTUAL EXPENSES	6,725.00
SEPTEMBER 06 - DECEMBER 06	ESTIMATED EXPENSES	0.00
JANUARY 2007 - DECEMBER 2007	ESTIMATED EXPENSES	7,825.00

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 2006 THROUGH DECEMBER 2007

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2006 - DECEMBER 2006 (12 MTHS)	2	0	
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	10	2	

PROGRAM FISCAL EXPENSES FOR: JANUARY 2006 THROUGH DECEMBER 2007

JANUARY 06 - AUGUST 06	ACTUAL EXPENSES	450.00
SEPTEMBER 06 - DECEMBER 06	ESTIMATED EXPENSES	0.00
JANUARY 2007 - DECEMBER 2007	ESTIMATED EXPENSES	3,150.00

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.