

ST JOE NATURAL GAS

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

September 8, 2009

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 090004-GU

Dear Ms. Cole,

Enclosed for filing in the above referenced docket are 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, 2010.

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

Enclosures

| | |
|-----|---|
| COM | 5 |
| BCR | 1 |
| CCL | 1 |
| OPC | 1 |
| BCP | 1 |
| SSC | 1 |
| SGA | 1 |
| ADM | 1 |
| CLK | 1 |

DOCUMENT NUMBER-DATE

09348 SEP 10 8

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COMMISSION
CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 090004-GU
Submitted for filing
September 8, 2009

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
09348 SEP 10 8
FPSC-COMMISSION CLERK

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, 2010 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2009), 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 \$116,975.00 for the twelve month period ending December 31, 2010. The estimated net true-up for the twelve months ending December 31, 2009 is an under-recovery of \$82,212.00. After increasing the projected conservation expenses by the amount of this underrecovery, a total of \$199,187.00 remains to be collected during the twelve months ending December 31, 2010. Dividing this total by the projected sales for the period by 1,445,160 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.36761 per therm for RS-1, \$0.22721 per therm for RS-2, \$0.16899 per therm for RS-3, \$0.15146 per therm for GS-1, \$0.07672 per therm for GS-2, and \$0.02969 per therm for FTS-4 respectively which **SJNG** seeks approval in this petition. The calculation of

St. Joe Natural Gas Company, Inc.
Docket No. 090004-GU
September 8, 2009
Page 3

these factors per them is contained in the Commission prescribed worksheets filed with this petition.

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, 2010 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 8th day of September 2010.



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.090004-GU
Submitted for Filing
September 8, 2009

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 2009 and projection costs to be incurred
from September 2009 through December 2009. It will also include
projected conservation costs for the period January 1, 2010
through December 31, 2010 with a calculation of the conservation
adjustment factors to be applied to the customers' bills during
the January 1, 2010 through December 31, 2010 period.

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

A. Yes, I have prepared and filed to the Commission the 8th day of
September 2009 Schedule C-1 prescribed by the Commission Staff
which has collectively been titled Energy Conservation Adjustment
Summary of Cost Recovery Clause Calculation for months January

DOCUMENT NUMBER - DATE
09348 SEP 10 08
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1 1, 2010 through December 31, 2010 for identification.

2 Q. Is the Company proposing to revise the applicability of its tariff
3 Energy Conservation Cost Recovery Adjustment Factors based on the
4 Company's recent rate proceeding?

5 A. Yes. Commission Order No. PSC-08-0436-PAA-GU, issued July 8, 2008,
6 approved a restructuring of the Company's rate classifications.
7 Historically, the Company's tariff applied factors to residential,
8 commercial and large commercial customer classes. The Company's
9 new tariff includes the following sales service rate schedules:
10 RS-1, RS-2, RS-3, GS-1, GS-2, GS-3, GS-4, GS-5 and the following
11 transportation service rate schedules: FTS-1, FTS-2, FTS-3, FTS-4,
12 and FTS-5. In this proceeding, the Company has proposed energy
13 conservation factors for 2010 applicable to each respective class
14 in its recently approved tariff. The schedules filed will display
15 therms and conservation revenues only for those classes with
16 existing customers.

17 Q. What Conservation Adjustment Factor does St. Joe Natural Gas
18 seek approval through its petition for the twelve month period
19 ending December 31, 2010?

20 A. \$.36761 per therm for RS-1, \$.22721 per therm for RS-2, and
21 \$.16899 per therm for RS-3, \$.15146 per therm for GS-1, \$.07672
22 per therm for GS-2, and \$.02969 per therm for FTS-4

23 Q. Does this conclude your testimony?

24 A. Yes.

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 090004-GU
Submitted for Filing
September 8, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Testimony have been served upon all known parties of record in this docket by U.S. Mail dated this 8th day of September 2009.

Sebring Gas System, Inc.
Jerry H. Melendy, Jr.
3515 U.S. Hwy 27 South
Sebring, Fl 33870

Norman Horton, Esq.
Messer Law Firm
PO Box 15579
Tallahassee, Fl. 32317

Ansley Watson, Jr. Esq.
MacFarlane, Ferguson & McMullen
PO Box 1531
Tampa, Fl. 33601-1531

Akerman Law Firm
Beth Keating
106 E. College Ave, Ste 1200
Tallahassee, Fl 32301

Indiantown Gas Co.
Mr. Brian Powers
P.O. Box 8
Indiantown, Fl 34956-0008

Fl Div. Of Chesapeake
Mr. Thomas Geoffroy
P.O. Box 960
Winter Haven, Fl 33882-0960

Fl Public Utilities Co
Mehrdad Khojasteh
PO Box 3395
West Palm Beach, Fl 33402-3395

Peoples Gas System/TECO Energy
Paula Brown/Matthew R. Costa
PO Box 111
Tampa, Fl 33601-0111

Young Law Firm
Robert Scheffel Wright
225 South Adams St, Ste 200
Tallahassee, Fl 32301

AGL Resources Inc.
Elizabeth Wade/Melvin Williams
Ten Peachtree Place
Location 1470
Atlanta, GA 30309

Florida City Gas
Mr. Jay Sutton
4180 S. U.S. Hwy 1
Rockledge, Fl 32955-5309

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2010 THROUGH DECEMBER 2010

| | |
|---|---------|
| 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) | 116,975 |
| 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) | 82,212 |
| 3. TOTAL (LINE 1 AND LINE 2) | 199,187 |

| 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 |
|---------------|--------|-------------|--------------------------|-----------------|------------------------------------|---------------|-----------------------------|---------------|------------|----------------|
| RS-1 | 10,877 | 94,643 | 141,401 | 66,667 | 208,068 | 34,618 | 16.63766% | 0.36577 | 1.00503 | 0.36761 |
| RS-2 | 11,397 | 230,389 | 182,352 | 130,697 | 313,049 | 52,084 | 16.63766% | 0.22607 | 1.00503 | 0.22721 |
| RS-3 | 10,460 | 412,760 | 209,200 | 207,953 | 417,153 | 69,404 | 16.63766% | 0.16815 | 1.00503 | 0.16899 |
| GS-1 | 2,436 | 104,557 | 48,720 | 45,985 | 94,705 | 15,757 | 16.63766% | 0.15070 | 1.00503 | 0.15146 |
| GS-2 | 409 | 203,349 | 28,630 | 64,667 | 93,297 | 15,522 | 16.63766% | 0.07633 | 1.00503 | 0.07672 |
| FTS-4 | 12 | 399,462 | 24,000 | 46,933 | 70,933 | 11,802 | 16.63766% | 0.02954 | 1.00503 | 0.02969 |
| FTS-5 | | | | | | | | | | |
| TOTAL | 35,591 | 1,445,160 | 634,303 | 562,902 | 1,197,205 | 199,187 | | | | |

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2010 THROUGH DECEMBER 2010

| <u>PROGRAM</u> | <u>CAPITAL INVEST</u> | <u>PYROLL & BENEFITS</u> | <u>MATERLS. & SUPPLIES</u> | <u>ADVERT</u> | <u>INCENTIVES</u> | <u>OUTSIDE SERVICES</u> | <u>VEHICLE</u> | <u>OTHER</u> | <u>TOTAL</u> |
|---------------------------------|-----------------------|------------------------------|--------------------------------|---------------|-------------------|-------------------------|----------------|--------------|----------------|
| 1 RESIDENTIAL NEW CONSTRUCTION | 0 | 0 | 0 | 0 | 10,100 | 0 | 0 | 0 | 10,100 |
| 2 RESIDENTIAL APPL. REPLACEMENT | 0 | 0 | 0 | 0 | 14,525 | 0 | 0 | 0 | 14,525 |
| 3 RESIDENTIAL APPL. RETENTION | 0 | 0 | 0 | 0 | 92,350 | 0 | 0 | 0 | 92,350 |
| 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 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>116,975</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>116,975</u> |

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2009 THROUGH DECEMBER 2009

| PROGRAM | <u>CAPITAL INVEST</u> | <u>PYROLL & BENEFITS</u> | <u>MATERLS. & SUPPLIES</u> | <u>ADVERT</u> | <u>INCENTIVES</u> | <u>OUTSIDE SERVICES</u> | <u>VEHICLE</u> | <u>OTHER</u> | <u>TOTAL</u> |
|---------------------------------|---------------------------|----------------------------------|------------------------------------|---------------|-------------------|-----------------------------|----------------|--------------|--------------|
| 1 RESIDENTIAL NEW CONSTRUCTION | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 4,100 | 0 | 0 | 0 | 4,100 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 2,800 | 0 | 0 | 0 | 2,800 |
| TOTAL | 0 | 0 | 0 | 0 | 6,900 | 0 | 0 | 0 | 6,900 |
| 2 RESIDENTIAL APPL. REPLACEMENT | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 13,500 | 0 | 0 | 0 | 13,500 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 2,500 | 0 | 0 | 0 | 2,500 |
| TOTAL | 0 | 0 | 0 | 0 | 16,000 | 0 | 0 | 0 | 16,000 |
| 3 RESIDENTIAL APPL. RETENTION | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 63,775 | 0 | 0 | 0 | 63,775 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 14,700 | 0 | 0 | 0 | 14,700 |
| TOTAL | 0 | 0 | 0 | 0 | 78,475 | 0 | 0 | 0 | 78,475 |
| 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 |
| 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 |
| 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 |
| SUB-TOTAL | 0 | 0 | 0 | 0 | 101,375 | 0 | 0 | 0 | 101,375 |

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2009 THROUGH DECEMBER 2009

| PROGRAM NAME | <u>CAPITAL INVEST</u> | <u>PYROLL & BENEFITS</u> | <u>MATERLS. & SUPPLIES</u> | <u>ADVERT</u> | <u>INCENTIVES</u> | <u>OUTSIDE SERVICES</u> | <u>VEHICLE</u> | <u>OTHER</u> | <u>TOTAL</u> |
|----------------------------|---------------------------|----------------------------------|------------------------------------|---------------|-------------------|-----------------------------|----------------|--------------|----------------|
| SUB-TOTAL - PREVIOUS PAGE | 0 | 0 | 0 | 0 | 101,375 | 0 | 0 | 0 | 101,375 |
| 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 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>101,375</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>101,375</u> |

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2009 THROUGH DECEMBER 2009

| PROGRAM NAME | JAN 2009 | FEB 2009 | MAR 2009 | APR 2009 | MAY 2009 | JUN 2009 | JUL 2009 | AUG 2009 | SEP 2009 | OCT 2009 | NOV 2009 | DEC 2009 | TOTAL |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|
| RESIDENTIAL NEW CONSTRUCTION | 0 | 100 | 550 | 1,000 | 1,250 | 1,000 | 0 | 200 | 700 | 700 | 700 | 700 | 6,900 |
| RESIDENTIAL APPL. REPLACEMENT | 1,050 | 2,100 | 825 | 2,300 | 2,300 | 1,775 | 1,575 | 1,575 | 625 | 625 | 625 | 625 | 16,000 |
| RESIDENTIAL APPL. RETENTION | 7,100 | 8,050 | 6,875 | 10,250 | 9,825 | 5,250 | 6,075 | 10,350 | 3,675 | 3,675 | 3,675 | 3,675 | 78,475 |
| (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 |
| (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 | 8,150 | 10,250 | 8,250 | 13,550 | 13,375 | 8,025 | 7,650 | 12,125 | 5,000 | 5,000 | 5,000 | 5,000 | 101,375 |

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2009 THROUGH DECEMBER 2009

| | JAN 2009 | FEB 2009 | MAR 2009 | APR 2009 | MAY 2009 | JUN 2009 | JUL 2009 | AUG 2009 | SEP 2009 | OCT 2009 | NOV 2009 | DEC 2009 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| CONSERVATION REVS. | | | | | | | | | | | | | |
| RCS AUDIT FEES | | | | | | | | | | | | | |
| a. OTHER PROG. REV. | | | | | | | | | | | | | |
| b. | | | | | | | | | | | | | |
| c. | -16,619 | -17,032 | -14,892 | -8,304 | -8,843 | -6,709 | -6,136 | -4,427 | -4,295 | -5,484 | -8,048 | -12,997 | -113,784 |
| CONSERV. ADJ REV. (NET OF REV. TAXES) | | | | | | | | | | | | | |
| TOTAL REVENUES | -16,619 | -17,032 | -14,892 | -8,304 | -8,843 | -6,709 | -6,136 | -4,427 | -4,295 | -5,484 | -8,048 | -12,997 | -113,784 |
| PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 7,857 | 94,282 |
| CONSERVATION REVS. APPLIC. TO PERIOD | -8,762 | -9,175 | -7,035 | -447 | -987 | 1,148 | 1,721 | 3,430 | 3,562 | 2,373 | -191 | -5,141 | -19,502 |
| CONSERVATION EXPS. (FORM C-3, PAGE 3) | 8,150 | 10,250 | 8,250 | 13,550 | 13,375 | 8,025 | 7,650 | 12,125 | 5,000 | 5,000 | 5,000 | 5,000 | 101,375 |
| TRUE-UP THIS PERIOD | -612 | 1,075 | 1,215 | 13,103 | 12,388 | 9,173 | 9,371 | 15,555 | 8,562 | 7,373 | 4,809 | -141 | 81,873 |
| INTEREST THIS PERIOD (C-3,PAGE 5) | 50 | 53 | 41 | 30 | 23 | 22 | 23 | 20 | 19 | 19 | 19 | 18 | 339 |
| TRUE-UP & INT. BEG. OF MONTH | 94,282 | 85,863 | 79,135 | 72,534 | 77,810 | 82,365 | 83,703 | 85,241 | 92,959 | 93,684 | 93,220 | 90,191 | |
| PRIOR TRUE-UP COLLECT. (REFUND.) | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | -7,857 | |
| END OF PERIOD TOTAL NET TRUE-UP | 85,863 | 79,135 | 72,534 | 77,810 | 82,365 | 83,703 | 85,241 | 92,959 | 93,684 | 93,220 | 90,191 | 82,212 | 82,212 |

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2009 THROUGH DECEMBER 2009

| | JAN 2009 | FEB 2009 | MAR 2009 | APR 2009 | MAY 2009 | JUN 2009 | JUL 2009 | AUG 2009 | SEP 2009 | OCT 2009 | NOV 2009 | DEC 2009 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|
| INTEREST PROVISION | | | | | | | | | | | | | |
| BEGINNING TRUE-UP | 94,282 | 85,863 | 79,135 | 72,534 | 77,810 | 82,365 | 83,703 | 85,241 | 92,959 | 93,684 | 93,220 | 90,191 | |
| END. T-UP BEFORE INT. | 85,813 | 79,082 | 72,493 | 77,780 | 82,342 | 83,681 | 85,218 | 92,939 | 93,665 | 93,200 | 90,172 | 82,194 | |
| TOT. BEG. & END. T-UP | 180,095 | 164,945 | 151,628 | 150,314 | 160,152 | 166,046 | 168,921 | 178,179 | 186,624 | 186,884 | 183,392 | 172,385 | |
| AVERAGE TRUE-UP | 90,048 | 82,473 | 75,814 | 75,157 | 80,076 | 83,023 | 84,461 | 89,090 | 93,312 | 93,442 | 91,696 | 86,193 | |
| INT. RATE-FIRST DAY OF REPORTING BUS. MTH | 0.54% | 0.79% | 0.75% | 0.55% | 0.40% | 0.30% | 0.35% | 0.30% | 0.25% | 0.25% | 0.25% | 0.25% | |
| INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH | 0.79% | 0.75% | 0.55% | 0.40% | 0.30% | 0.35% | 0.30% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | |
| TOTAL | 1.33% | 1.54% | 1.30% | 0.95% | 0.70% | 0.65% | 0.65% | 0.55% | 0.50% | 0.50% | 0.50% | 0.50% | |
| AVG INTEREST RATE | 0.67% | 0.77% | 0.65% | 0.48% | 0.35% | 0.33% | 0.33% | 0.28% | 0.25% | 0.25% | 0.25% | 0.25% | |
| MONTHLY AVG. RATE | 0.06% | 0.06% | 0.05% | 0.04% | 0.03% | 0.03% | 0.03% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | |
| INTEREST PROVISION | \$50 | \$53 | \$41 | \$30 | \$23 | \$22 | \$23 | \$20 | \$19 | \$19 | \$19 | \$18 | \$339 |

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

DOCKET NO. 090004-EG
ST JOE NATURAL GAS COMPANY
(DKS)

PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

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 | \$350.00 |
| GAS WATER HEATING | \$350.00 |
| GAS AIR CONDITIONING | \$1,400.00 |
| GAS CLOTHES DRYER | \$100.00 |
| GAS RANGE | \$100.00 |
| GAS TANKLESS W/HEATER | \$450.00 |
| | <u>\$2,750.00</u> |

PROGRAM PROJECTIONS FOR:

JANUARY 2009 THROUGH DECEMBER 2010

| | <u>GAS WATER HEATING</u> | <u>GAS HEATING</u> | <u>GAS AIR CONDITIONING</u> | <u>GAS DRYER</u> | <u>GAS RANGE</u> | <u>GAS TANKLESS W/H</u> |
|--|------------------------------|------------------------|---------------------------------|----------------------|----------------------|-----------------------------|
| JANUARY 2009 - DECEMBER 2009 (12 MTHS) | 7 | 7 | | 7 | 9 | 8 |
| JANUARY 2010 - DECEMBER 2010 (12 MTHS) | 7 | 7 | | 7 | 9 | 8 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

| | | |
|------------------------------|--------------------|-----------|
| JANUARY 09 - AUGUST 09 | ACTUAL EXPENSES | 4,100.00 |
| SEPTEMBER 09 - DECEMBER 09 | ESTIMATED EXPENSES | 2,800.00 |
| JANUARY 2010 - DECEMBER 2010 | ESTIMATED EXPENSES | 10,100.00 |

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.

PROGRAM TITLE: RESIDENTIAL 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, air conditioners, dryers, ranges and tankless water heaters. 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 | \$625.00 |
| GAS WATER HEATING | \$525.00 |
| GAS AIR CONDITIONING | \$1,500.00 |
| GAS CLOTHES DRYER | \$100.00 |
| GAS RANGE | \$100.00 |
| GAS TANKLESS W/HEATER | \$525.00 |
| | <u>\$3,375.00</u> |

PROGRAM PROJECTIONS FOR: JANUARY 2009 THROUGH DECEMBER 2010

| | GAS WATER HEATING | GAS HEATING | GAS AIR CONDITIONING | GAS DRYER | GAS RANGE | GAS TANKLESS W/H |
|--|-------------------|-------------|----------------------|-----------|-----------|------------------|
| JANUARY 2009 - DECEMBER 2009 (12 MTHS) | 24 | 1 | | 2 | 11 | 0 |
| JANUARY 2010 - DECEMBER 2010 (12 MTHS) | 24 | 1 | | 2 | 11 | 0 |

PROGRAM FISCAL EXPENSES FOR: JANUARY 2009 THROUGH DECEMBER 2010

| | | |
|------------------------------|--------------------|-----------|
| JANUARY 09 - AUGUST 09 | ACTUAL EXPENSES | 13,500.00 |
| SEPTEMBER 09 - DECEMBER 09 | ESTIMATED EXPENSES | 2,500.00 |
| JANUARY 2010 - DECEMBER 2010 | ESTIMATED EXPENSES | 14,525.00 |

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.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

| APPLIANCE LOAD | ALLOWANCE |
|-----------------------|-------------------|
| GAS HEATING | \$625.00 |
| GAS WATER HEATING | \$525.00 |
| GAS AIR CONDITIONING | \$1,500.00 |
| GAS CLOTHES DRYER | \$100.00 |
| GAS RANGE | \$100.00 |
| GAS TANKLESS W/HEATER | \$525.00 |
| | <u>\$3,375.00</u> |

PROGRAM PROJECTIONS FOR: 0.00

| | GAS WATER HEATING | GAS HEATING | GAS AIR CONDITIONING | GAS DRYER | GAS RANGE | GAS TANKLESS W/H |
|--|-------------------|-------------|----------------------|-----------|-----------|------------------|
| JANUARY 2009 - DECEMBER 2009 (12 MTHS) | 126 | 29 | | 14 | 30 | 7 |
| JANUARY 2010 - DECEMBER 2010 (12 MTHS) | 126 | 29 | | 14 | 30 | 7 |

PROGRAM FISCAL EXPENSES FOR: RESIDENTIAL APPLIANCE RETENTION PROGRAM

| | | |
|------------------------------|--------------------|-----------|
| JANUARY 09 - AUGUST 09 | ACTUAL EXPENSES | 63,775.00 |
| SEPTEMBER 09 - DECEMBER 09 | ESTIMATED EXPENSES | 14,700.00 |
| JANUARY 2010 - DECEMBER 2010 | ESTIMATED EXPENSES | 92,350.00 |

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain an existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.