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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No.110004-GU
Submitted for Filing
September 12, 2011

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 2011 and projection costs to be incurred
from September 2011 through December 2011. It will also include
projected conservation costs for the period January 1, 2012
through December 31, 2012 with a calculation of the conservation
adjustment factors to be applied to the customers' bills during
the January 1, 2012 through December 31, 2012 period.

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

A. Yes, I have prepared and filed to the Commission the 12th day of
September 2011 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

COM 5
APA 1
ECR 2
GCL 1
RAD _____
SRC _____
ADM _____
OPC _____
CLK PT. RPR

DOCUMENT NUMBER-DATE

06615 SEP 14 =

FPSC-COMMISSION CLERK

1 1, 2012 through December 31, 2012 for identification.

2 Q. What Conservation Adjustment Factor does St. Joe Natural Gas
3 seek approval through its petition for the twelve month period
4 ending December 31, 2012?

5 A. \$.07304 per therm for RS-1, \$.04868 per therm for RS-2, and
6 \$.03777 per therm for RS-3, \$0.03006 per therm for GS-1, \$0.01597
7 per therm for GS-2, and \$0.00702 per therm for GS-4/FTS-4

8 Q. Does this conclude your testimony?

9 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 110004-GU
Submitted for Filing
September 12, 2011

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 12th day of September 2011.

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

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AGL Resources Inc.
Elizabeth Wade/David Weaver
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Location 1470
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Florida City Gas
Mr. Melvin Williams
933 East 25th St
Hialeah, Fl 33013-3403

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2012 THROUGH DECEMBER 2012

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	80,250
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-38,078
3. TOTAL (LINE 1 AND LINE 2)	42,172

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	10,683	100,762	138,879	70,978	209,857	7,323	3.48932%	0.07267	1.00503	0.07304
RS-2	11,071	215,803	177,136	122,423	299,559	10,453	3.48932%	0.04844	1.00503	0.04868
RS-3	10,378	362,141	207,560	182,450	390,010	13,609	3.48932%	0.03758	1.00503	0.03777
GS-1	2,202	105,484	44,040	46,393	90,433	3,155	3.48932%	0.02991	1.00503	0.03006
GS-2	442	225,257	30,940	71,634	102,574	3,579	3.48932%	0.01589	1.00503	0.01597
FTS4/GS-4	24	580,194	48,000	68,167	116,167	4,053	3.48932%	0.00699	1.00503	0.00702
FTS-5	0	0	0	0	0	0	3.48932%	#DIV/0!	1.00503	#DIV/0!
TOTAL	34,800	1,589,641	646,555	562,045	1,208,600	42,172				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2012 THROUGH DECEMBER 2012

<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	9,300	0	0	0	9,300
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	16,100	0	0	0	16,100
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	54,850	0	0	0	54,850
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>80,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>80,250</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2011 THROUGH DECEMBER 2011

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	3,900	0	0	0	3,900
B. ESTIMATED	0	0	0	0	2,200	0	0	0	2,200
TOTAL	0	0	0	0	6,100	0	0	0	6,100
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	19,925	0	0	0	19,925
B. ESTIMATED	0	0	0	0	6,500	0	0	0	6,500
TOTAL	0	0	0	0	26,425	0	0	0	26,425
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	50,050	0	0	0	50,050
B. ESTIMATED	0	0	0	0	20,000	0	0	0	20,000
TOTAL	0	0	0	0	70,050	0	0	0	70,050
4 OUTSIDE SERVICES									
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,575</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2011 THROUGH DECEMBER 2011

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	102,575	0	0	0	102,575
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
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,575</u>

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM NAME	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
RESIDENTIAL NEW CONSTRUCTION	0	1,000	550	1,550	800	0	0	0	550	550	550	550	6,100
RESIDENTIAL APPL. REPLACEMENT	8,225	2,650	1,225	1,850	1,700	4,125	0	150	1,625	1,625	1,625	1,625	26,425
RESIDENTIAL APPL. RETENTION	7,900	6,750	5,800	6,500	4,850	6,900	5,500	5,850	5,000	5,000	5,000	5,000	70,050
OUTSIDE SERVICES	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	16,125	10,400	7,575	9,900	7,350	11,025	5,500	6,000	7,175	7,175	7,175	7,175	102,575

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2011 THROUGH DECEMBER 2011

	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-43,423	-32,812	-31,902	-20,425	-10,100	-8,487	-9,724	-7,894	-7,320	-9,671	-12,218	-22,745	-216,722
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-43,423	-32,812	-31,902	-20,425	-10,100	-8,487	-9,724	-7,894	-7,320	-9,671	-12,218	-22,745	-216,722
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	6,338	6,338	6,338	6,338	6,338	6,338	6,338	6,338	6,338	6,338	6,338	6,338	76,059
CONSERVATION REVS. APPLIC. TO PERIOD	-37,085	-26,474	-25,564	-14,087	-3,762	-2,149	-3,385	-1,556	-981	-3,333	-5,880	-16,407	-140,663
CONSERVATION EXPS. (FORM C-3, PAGE 3)	16,125	10,400	7,575	9,900	7,350	11,025	5,500	6,000	7,175	7,175	7,175	7,175	102,575
TRUE-UP THIS PERIOD	-20,960	-16,074	-17,989	-4,187	3,588	8,876	2,115	4,444	6,194	3,842	1,295	-9,232	-38,088
INTEREST THIS PERIOD (C-3,PAGE 5)	13	8	3	-1	-1	-1	-1	-1	-1	-2	-2	-3	9
TRUE-UP & INT. BEG. OF MONTH	76,059	48,774	26,370	2,046	-8,480	-11,232	-8,696	-12,921	-14,816	-14,962	-17,460	-22,505	
PRIOR TRUE-UP COLLECT./(REFUND.)	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	-6,338	
END OF PERIOD TOTAL NET TRUE-UP	48,774	26,370	2,046	-8,480	-11,232	-8,696	-12,921	-14,816	-14,962	-17,460	-22,505	-38,078	-38,078

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2011 THROUGH DECEMBER 2011

	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	76,059	48,774	26,370	2,046	-8,480	-11,232	-8,696	-12,921	-14,816	-14,962	-17,460	-22,505	
END. T-UP BEFORE INT.	48,761	26,362	2,043	-8,480	-11,231	-8,694	-12,919	-14,814	-14,960	-17,458	-22,503	-38,075	
TOT. BEG. & END. T-UP	124,820	75,136	28,413	-6,434	-19,711	-19,927	-21,615	-27,735	-29,776	-32,420	-39,962	-60,580	
AVERAGE TRUE-UP	62,410	37,568	14,206	-3,217	-9,856	-9,963	-10,808	-13,868	-14,888	-16,210	-19,981	-30,290	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
TOTAL	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.24%	0.24%	0.24%	0.24%	0.24%	
AVG INTEREST RATE	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.12%	0.12%	0.12%	0.12%	0.12%	
MONTHLY AVG. RATE	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
INTEREST PROVISION	\$13	\$8	\$3	-\$1	-\$1	-\$1	-\$1	-\$1	-\$1	-\$2	-\$2	-\$3	\$9

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>JAN 2011 NEW ALLOW.</u>
GAS HEATING	\$500.00
GAS WATER HEATING	\$350.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$150.00
GAS TANKLESS W/HEATER	\$550.00
	<u>\$1,650.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2011 THROUGH DECEMBER 2012

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2011 - DECEMBER 2011 (12 MTHS)	3	3	2	4	5
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	4	5	4	4	8

PROGRAM FISCAL EXPENSES FOR:

JANUARY 11 - DECEMBER 12

JANUARY 11 - AUGUST 11	ACTUAL EXPENSES	3,900.00
SEPTEMBER 11 - DECEMBER 11	ESTIMATED EXPENSES	2,200.00
JANUARY 2012 - DECEMBER 2012	ESTIMATED EXPENSES	9,300.00

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	JAN 2011 NEW ALLOW.
GAS HEATING	\$725.00
GAS WATER HEATING	\$500.00
GAS CLOTHES DRYER	\$150.00
GAS RANGE	\$200.00
GAS TANKLESS W/HEATER	\$675.00
	<u>\$2,250.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2011 THROUGH DECEMBER 2012

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2011 - DECEMBER 2011 (12 MTHS)	20	4	12	8	15
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	12	2	6	5	10

PROGRAM FISCAL EXPENSES FOR: JANUARY 2011 THROUGH DECEMBER 2012

JANUARY 11 - AUGUST 11	ACTUAL EXPENSES	19,925.00
SEPTEMBER 11 - DECEMBER 11	ESTIMATED EXPENSES	6,500.00
JANUARY 2012 - DECEMBER 2012	ESTIMATED EXPENSES	16,100.00

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	JAN 2011 NEW ALLOW.
GAS HEATING	\$500.00
GAS WATER HEATING	\$350.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$550.00
	<u>\$1,600.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 11 - DECEMBER 12

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2011 - DECEMBER 2011 (12 MTHS)	107	31	25	36	20
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	100	25	15	20	7

PROGRAM FISCAL EXPENSES FOR: JANUARY 2011 THROUGH DECEMBER 2012

JANUARY 11 - AUGUST 11	ACTUAL EXPENSES	50,050.00
SEPTEMBER 11 - DECEMBER 11	ESTIMATED EXPENSES	20,000.00
JANUARY 2012 - DECEMBER 2012	ESTIMATED EXPENSES	54,850.00

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.