

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 110004-GU

NATURAL GAS CONSERVATION
COST RECOVERY.

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, November 1, 2011

TIME: Commenced at 9:43 a.m.
Concluded at 9:46 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER-DATE

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5 Indiantown, Chesapeake and AGL Resources, Inc.

6 NORMAN H. HORTON, JR., ESQUIRE, Messer Law
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8 appearing on behalf of Sebring Gas Systems, Inc.

9 PATRICIA CHRISTENSEN, ESQUIRE, Office of
10 Public Counsel, c/o the Florida Legislature, 111 W.
11 Madison Street, Room 812, Tallahassee, Florida
12 32399-1400, appearing on behalf of the Citizens of the
13 State of Florida.

14 JON MOYLE, JR., ESQUIRE, Keefe, Anchors,
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20 Tallahassee, Florida 32399-0850, appearing on behalf of
21 the Florida Public Service Commission Staff.

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1 APPEARANCES (Continued):

2 MARY ANNE HELTON, DEPUTY GENERAL COUNSEL, and
3 SAMANTHA CIBULA, ESQUIRE, Florida Public Service
4 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
5 Florida 32399-0850, Advisor to the Florida Public
6 Service Commission.

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I N D E X

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13	CHERYL M. MARTIN - FPUC/Indiantown Prefiled Testimony Inserted	21
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CHAIRMAN GRAHAM: And we are going to Docket 04.

MS. CRAWFORD: Similar to the 04 docket -- or the 03 docket, Staff notes in the 04 docket that St. Joe and People's has been excused from the hearing. There are proposed stipulations on all issues. All witnesses have also been excused and parties have waived opening statements. Staff would like to request that the prefiled testimony of all witnesses identified in the Prehearing Order on Page 4 be inserted into the record as though read.

CHAIRMAN GRAHAM: We will move all the prefiled testimony on page 4, Section VI, as entered into the record as if though read. I don't know why I do that all the time.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost Recovery Clause

3 DIRECT TESTIMONY OF THOMAS A. GEOFFROY

4 On Behalf of5 Chesapeake Utilities Corporation

6 DOCKET NO. 110004-GU

7 Q. Please state your name, business address, by whom you are employed, and in
8 what capacity.9 A. My name is Thomas A. Geoffroy. My business address is 1015 Sixth Street,
10 N.W. Winter Haven, Florida 33881. I am employed by Chesapeake Utilities
11 Corporation ("Chesapeake") as Vice President.12 Q. Are you familiar with the energy conservation programs of Chesapeake and
13 the revenues and costs that are associated with these programs?

14 A. Yes.

15 Q. What is the purpose of your testimony in this docket?

16 A. The purpose of my testimony is to present data and summaries concerning the
17 planned and actual accomplishments of Chesapeake's energy conservation
18 programs during the period January 2010 through December 2010. Data
19 related to calculation of the true-up for this period is also included.20 Q. Have you prepared summaries of Chesapeake's conservation programs and
21 the costs associated with them?22 A. Yes. Summaries of the seven programs in connection with which Chesapeake
23 incurred recoverable costs during the period January 2010 through December

1 2010 are contained in Schedule CT-6 of Exhibit TG-1. Included are our
2 Residential New Construction Program, Residential Appliance Replacement
3 Program, Residential Propane Distribution Program, Residential Appliance
4 Retention Program, Natural Gas Space Conditioning for Residential Homes
5 Program, Gas Space Conditioning Program, and the Conservation Education
6 Program.

7 Q. Have you prepared schedules which show the expenditures associated with
8 Chesapeake's energy conservation programs for the periods you have
9 mentioned?

10 A. Yes. Schedule CT-2 page 1, Exhibit TG-1 shows actual expenses for the
11 period, and also shows a comparison of the actual program costs and true-up
12 with the estimated costs and true-up submitted at the November 2010 hearing
13 in this docket.

14 Q. What was the total cost incurred by Chesapeake in connection with the seven
15 programs during the twelve months ending December 2010?

16 A. As shown in Exhibit TG-1, Schedule CT-2, page 2, total program costs were
17 \$627,734. This total is \$21,847 less than our projection of the program costs
18 for the twelve month period.

19 Q. Have you prepared, for the twelve month period involved, a schedule which
20 shows the variance of actual from projected costs by categories of expenses?

21 A. Yes. Schedule CT-2, page 3, of Exhibit TG-1 shows these variances.

22 Q. What is Chesapeake's adjusted net true-up for the twelve months ended
23 December 2010?

1 A. As shown on Schedule CT-2, page 1, of Exhibit TG-1, we originally estimated
2 an over-recovery, including interest, of \$114,755. This projected true-up
3 amount was based on conservation revenues of \$763,393 for the period
4 January 2010 through December 2010. However, the approved energy
5 conservation rates for transportation services during this period actually
6 yielded conservation revenues of \$770,953, or \$7,560 over the projection.
7 Expenses for the period were \$21,847 less than projected. The total difference,
8 including interest of \$2, is \$29,408.

9 Q. Is the adjusted net true-up of \$29,408 an over-recovery or an under-recovery?

10 A. An over-recovery, as shown on Schedule CT-1 of Exhibit TG-1.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

1 Public Service Commission (FPSC).

2 Q. What is the purpose of your testimony at this time?

3 A. To advise the Commission as to the Conservation Cost
4 Recovery Clause Calculation for the period January
5 2012 through December 2012.

6 Q. Have you included descriptions and summary
7 information on the Conservation Programs currently
8 approved and available to your customers for the
9 Florida Division of Chesapeake Utilities
10 Corporation?

11 A. Yes, the Company has included summaries of the
12 approved conservation programs currently available
13 to our customers in C-4 of Exhibit CMM-3.

14 Q. Were the summaries of the Company's Conservation
15 Programs and the Costs associated with these
16 Programs completed under your direction or review?

17 A. Yes.

18 Q. What are the total projected costs for the period
19 January 2012 through December 2012 in the Florida
20 Division of Chesapeake Utilities Corporation?

21 A. The total projected Conservation Program Costs are
22 \$885,846. Please see Schedule C-2, page 2, for the
23 programmatic and functional breakdown of these total
24 costs.

25

- 1 Q. What is the true-up for the period January 2011
2 through December 2011?
- 3 A. As reflected in the Schedule C-3, Page 4 of 5, the
4 True-up amount for the Florida Division of
5 Chesapeake Utilities Corporation is an over-recovery
6 of \$82,150.
- 7 Q. What are the resulting net total projected
8 conservation costs to be recovered during this
9 projection period?
- 10 A. The total costs to be recovered are \$803,696.
- 11 Q. Have you prepared a schedule that shows the
12 calculation of the Company's proposed Energy
13 Conservation Cost Recovery Adjustment factors to be
14 applied during billing periods from January 1, 2012
15 through December 31, 2012?
- 16 A. Yes. Schedule C-1, page 1 of 2, of Exhibit CMM-3
17 shows these calculations.
- 18 Q. Have you prepared a schedule that shows the
19 calculation of the Company's proposed Energy
20 Conservation Cost Recovery Adjustment (Experimental)
21 factors for certain rate classes on an experimental
22 basis to be applied during billing periods from
23 January 1, 2012 through December 31, 2012?
- 24 A. Yes, Schedule C-1, page 2 of 2 of Exhibit CMM-3
25 shows these calculations.

1 Q. Are there any exhibits that you wish to sponsor in
2 this proceeding?

3 A. Yes. I wish to sponsor as Exhibits Schedules C-1,
4 C-2, C-3, and C-4 (Composite Prehearing
5 Identification Number CMM-3), which have been filed
6 with this testimony.

7 Q. Does this conclude your testimony?

8 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 110004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
JASON VAN HOFFMAN

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. My name is Jason Van Hoffman. My business address is 401 S. Dixie Highway,
3 West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Energy Conservation
6 Manager.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery of the Conservation
9 costs for the period January 1, 2010 through December 31, 2010 as compared to
10 the amount previously reported for that period which was based on seven
11 months actual and five months estimated data.

12 Q. Please state the actual amount of over/under recovery of Conservation Program
13 costs for the gas division of Florida Public Utilities Company for January 1, 2010
14 through December 31, 2010.

1 A. The Company over-recovered \$174,613 during that period. This amount is
2 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
3 Provision.

4 Q. How does this amount compare with the estimated true-up amount which was
5 allowed by the Commission?

6 A. We had estimated that we would over-recover \$391,543 as of December 31,
7 2010.

8 Q. Have you prepared any exhibits at this time?

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and
10 CT-6 (Composite Exhibit JVH-1).

11 Q. Does this conclude your testimony?

12 A. Yes.

1 Public Service Commission (FPSC).

2 Q. What is the purpose of your testimony at this time?

3 A. To advise the Commission as to the Conservation Cost
4 Recovery Clause Calculation for the period January
5 2012 through December 2012.

6 Q. Have you included descriptions and summary
7 information on the Conservation Programs currently
8 approved and available to your customers?

9 A. Yes, the Company has included summaries of the
10 approved conservation programs currently available
11 to our customers in C-5 of Exhibit CMM-1.

12 Q. Were the summaries of the Company's Conservation
13 Programs and the Costs associated with these
14 Programs completed under your direction or review?

15 A. Yes.

16 Q. What are the total projected costs for the period
17 January 2012 through December 2012 in the
18 Consolidated Natural Gas Division?

19 A. The total projected Conservation Program Costs are
20 \$2,907,600. Please see Schedule C-2, page 2, for
21 the programmatic and functional breakdown of these
22 total costs.

23 Q. What is the true-up for the period January 2011
24 through December 2011?

25

- 1 A. As reflected in the Schedule C-3, Page 4 of 5, the
2 True-up amount for the Consolidated Natural Gas
3 Division is an under-recovery of \$488,957.
- 4 Q. What are the resulting net total projected
5 conservation costs to be recovered during this
6 projection period?
- 7 A. The total costs to be recovered are \$3,396,557.
- 8 Q. What is the Conservation Adjustment Factor necessary
9 to recover these projected net total costs?
- 10 A. The Conservation Adjustment Factors per therm for
11 the Consolidated Natural Gas Division are:
- | | |
|---|-----------|
| 12 Residential | \$.11041 |
| 13 General Service & Transportation (GS1) | \$.06767 |
| 14 General Service & Transportation (GS2) | \$.05631 |
| 15 Large Volume Service | \$.04395 |
| 16 LV Service Transportation <50,000 | \$.04395 |
| 17 LV Transportation Service >50,000 | \$.04395 |
- 18 Q. Are there any exhibits that you wish to sponsor in
19 this proceeding?
- 20 A. Yes. I wish to sponsor as Exhibits Schedules C-1,
21 C-2, C-3, and C-5 (Composite Prehearing
22 Identification Number CMM-1), which have been filed
23 with this testimony.
- 24 Q. Does this conclude your testimony?
- 25 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 110004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
JASON VAN HOFFMAN

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY –
INDIANTOWN DIVISION

1 Q. Please state your name and business address.

2 A. Jason Van Hoffman: my business address is 401 S. Dixie Highway, West Palm Beach,
3 Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Energy Conservation Manager.

6 Q. What is the purpose of your testimony at this time?

7 A. To advise the Commission of the actual over/under recovery of the Conservation costs
8 for the period January 1, 2010 through December 31, 2010 as compared to the amount
9 previously reported for that period which was based on seven months actual and five
10 months estimated data.

11 Q. Please state the actual amount of over/under recovery of Conservation Program costs
12 for the Florida Public Utilities Company – Indiantown Division for January 1, 2010
13 through December 31, 2010.

14 A. The Company over-recovered \$17,000 during that period. This amount is substantiated
15 on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest Provision.

16 Q. How does this amount compare with the estimated true-up amount which was allowed
17 by the Commission?

- 1 A. We had estimated that we would over-recover \$10,169 as of December 31, 2010.
- 2 Q. Have you prepared any exhibits at this time?
- 3 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and CT-6
- 4 (Composite Exhibit JVH-1).
- 5 Q. Does this conclude your testimony?
- 6 A. Yes.

1 Public Service Commission (FPSC).

2 Q. What is the purpose of your testimony at this time?

3 A. To advise the Commission as to the Conservation Cost
4 Recovery Clause Calculation for the period January
5 2012 through December 2012.

6 Q. Have you included descriptions and summary
7 information on the Conservation Programs currently
8 approved and available to your customers for the
9 Indiantown Natural Gas Division?

10 A. Yes, the Company has included summaries of the
11 approved conservation programs currently available
12 to our customers in C-4 of Exhibit CMM-2.

13 Q. Were the summaries of the Company's Conservation
14 Programs and the Costs associated with these
15 Programs completed under your direction or review?

16 A. Yes.

17 Q. What are the total projected costs for the period
18 January 2012 through December 2012 in the Indiantown
19 Natural Gas Division?

20 A. The total projected Conservation Program Costs are
21 \$13,800. Please see Schedule C-2, page 2, for the
22 programmatic and functional breakdown of these total
23 costs.

24 Q. What is the true-up for the period January 2011
25 through December 2011?

1 A. As reflected in the Schedule C-3, Page 4 of 5, the
2 True-up amount for the Indiantown Natural Gas
3 Division is an over-recovery of \$10,474.

4 Q. What are the resulting net total projected
5 conservation costs to be recovered during this
6 projection period?

7 A. The total costs to be recovered are \$3,326.

8 Q. What is the Conservation Adjustment Factor necessary
9 to recover these projected net total costs?

10 A. The Conservation Adjustment Factors per therm for
11 the Indiantown Natural Gas Division are:

12	TS1	\$.00648
13	TS2	\$.00106
14	TS3	\$.00364
15	TS4	\$.00046

16 Q. Are there any exhibits that you wish to sponsor in
17 this proceeding?

18 A. Yes. I wish to sponsor as Exhibits Schedules C-1,
19 C-2, C-3, and C-4 (Composite Prehearing
20 Identification Number CMM-2), which have been filed
21 with this testimony.

22 Q. Does this conclude your testimony?

23 A. Yes.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF CAROLYN BERMUDEZ

3 ON BEHALF OF

4 FLORIDA CITY GAS

5 DOCKET NO. 110004-GU

6 MAY 3, 2011

7

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

10

11 A. My name is Carolyn Bermudez and my business address is 955 East 25th
12 Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as
13 the Regional Manager.

14

15 **Q. Are you familiar with the energy conservation programs of Florida**
16 **City Gas?**

17

18 A. Yes, I am.

19

20 **Q. Are you familiar with the costs that have been incurred and that are**
21 **projected to be incurred by Florida City Gas in implementing its**
22 **energy conservation programs?**

23

24 A. Yes, I am.

25

1 **Q. What is the purpose of your testimony in this docket?**

2 A. To submit the recoverable costs incurred during the period ending
3 December 31, 2010, and to identify the final true-up amount related to that
4 period.

5

6 **Q. Has Florida City Gas prepared schedules which show the**
7 **expenditures associated with its energy conservation programs for**
8 **the period you have mentioned?**

9

10 A. Yes. I have prepared and filed together with this testimony Exhibit CB-1
11 consisting of Schedules CT-1, CT-2, CT-3 and CT-6.

12

13 **Q. What amount did Florida City Gas spend on conservation programs**
14 **during this period?**

15

16 A. \$3,404,142.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2010?**

20

21 A. An under-recovery of \$438,644

22

23 **Q. Does this conclude your testimony?**

24

25 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

(Projection Filing)

DIRECT TESTIMONY OF CAROLYN BERMUDEZ

ON BEHALF OF

FLORIDA CITY GAS

DOCKET NO. 110004-GU

September 13, 2011

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

A. My name is Carolyn Bermudez and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as Regional Manager.

Q. Are you familiar with the energy conservation programs of Florida City Gas?

A. Yes, I am.

Q. Are you familiar with the costs that have been incurred and are projected to be incurred by Florida City Gas in implementing its energy conservation programs?

A. Yes, I am.

Q. What is the purpose of your testimony in this docket?

A. To submit the conservation cost recovery true-up for the final true-up period January 1, 2010 through December 31, 2010, and for the actual and estimated period of January 1, 2011, through December 31, 2011. I will also present the total level of costs Florida City Gas seeks to recover through its conservation factors during the period January 1, 2012 through December 31, 2012, as well as the conservation factors which, when applied to our customer's bills during the period January 1, 2012 through December 31, 2012, will permit recovery of total ECCR costs.

Q. What is the Company's estimated true-up for the period January 1, 2011 through December 31, 2011?

A. An under-recovery of \$1,608,810. This amount is calculated on page 4 of Schedule C-3 and takes into account the final true-up for the year ended December 31, 2010, which was an under-recovery of \$1,383,906, including interest.

Q. What is the total cost Florida City Gas seeks to recover during the period January 1, 2012 through December 31, 2012?

A. \$5,858,620. This represents the projected costs of \$4,249,810 to be incurred during 2012, plus the estimated true-up of \$ 1,608,810 for calendar year 2011.

Q. What conservation factors does Florida City Gas need to permit recovery of these costs?

A. GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.17120
GS-600 (Sales & Transportation)	\$0.09061
GS-1200 (Sales & Transportation)	\$0.05493
GS-6k (Sales & Transportation)	\$0.04551
GS-25000 (Sales & Transportation)	\$0.04526
GS-60000 (Sales & Transportation)	\$0.04425
Gas Lights	\$0.08821
GS-120000 (Sales & Transportation)	\$0.03161
GS-250000 (Sales & Transportation)	\$0.02966

Q. Has Florida City Gas prepared schedules to support its requested Conservation Cost Recovery Factor?

A. Yes. I have prepared and filed together with this testimony Schedules C-1 through C-3 as prescribed by Commission Staff.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**DOCKET 110004-GU****DIRECT TESTIMONY OF****JERRY H. MELENDY****ON BEHALF OF SEBRING GAS SYSTEM, INC.****MAY 3, 2011**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System,
3 Inc., P.O. Box 8, US Highway 27 South, Sebring FL 33870

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am Vice President of Sebring Gas System, Inc. (the "Company").

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT**
7 **ENERGY CONSERVATION PROGRAMS?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My testimony presents data and summaries that describe the planned and
11 actual activities and expenses for the Company's energy conservation
12 programs incurred during the period January 2010 through December 2010. I
13 will also identify the final conservation true-up amount for the above
14 referenced period.

1 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
3 **WITH THESE PROGRAMS?**

4 A. Yes. Summaries of the Company's four approved programs for which costs
5 were incurred during the period January 2010 through December 2010 are
6 included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential
7 New Construction Program, the Residential Appliance Replacement Program,
8 the Residential Appliance Retention Program and the Conservation Education
9 Program.

10 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
11 **EXPENDICTURES ASSOCIATED WITH THE COMPANY'S**
12 **ENERGY CONSERVATION PROGRAMS FOR THE APPLICABLE**
13 **PERIOD?**

14 A. Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the
15 Company's actual conservation related expenditures for the period, along with
16 a comparison of the actual program costs and true-up to the projected costs
17 and true-up for the period.

18 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**
19 **TO ADMINISTER ITS FOUR CONSERVATION PROGRAMS FOR**
20 **THE TWELVE MONTH PERIOD ENDING DECEMBER 2010?**

21 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's
22 total 2010 programs costs were \$37,283.

1 Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE
2 VARIANCE OF ACTUAL FROM PROJECTED COSTS BY
3 CATEGORIES OF EXPENSES?

4 A. Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

5 Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE
6 MONTHS ENDING DECEMBER 2010?

7 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an
8 under-recovery of \$26,447.

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.110004-GU**

7 **September 13, 2011**

8

9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring
11 Gas System, Inc., US Highway 27 South, Sebring, FL 33870.

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am Vice President of Sebring Gas Company, Inc. (the "Company").

14 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED**
15 **ENERGY CONSERVATION PROGRAMS AND THE REVENUES**
16 **AND COSTS THAT ARE ASSOCIATED WITH THESE**
17 **PROGRAMS?**

18 A. Yes.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **DOCKET?**

21 A. My testimony will present actual and projected expenditures and
22 revenues related to promoting and administering the Company's
23 energy conservation programs in 2011 and 2012. I will provide the

1 adjusted net true-up amount associated with program administration
2 for the January 2010 through December 2010 period. Actual program
3 costs are provided for the period January 1, 2011 through August
4 2011, as well as the costs the Company expects to incur from
5 September 1, 2011 through December 31, 2011. I will also indicate
6 the total costs the Company seeks to recover through its conservation
7 factors during the period January 1, 2012 through December 31,
8 2012. Finally, I will also propose the energy conservation cost
9 recovery factors which, when applied to consumer bills during the
10 period January 1, 2012 through December 31, 2012, will permit
11 recovery of the Company's total conservation costs.

12 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
13 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
14 **WITH THESE PROGRAMS?**

15 A. Yes. Summaries of the Company's four approved programs are
16 included in Schedule C-4 of Exhibit JHM-1. Included are the
17 Residential New Construction Program, the Residential Appliance
18 Replacement Program, the Residential Appliance Retention Program
19 and the Conservation Education Program.

20 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
21 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
22 **THE CURRENT (2011) AND PROJECTED (2012) PERIODS?**

1 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
2 expenses for the January 2011 through August 2011 period and
3 projected expenses for the September 2011 through December 2011
4 period. Projected expenses for the January 2012 through December
5 2012 period are included in Schedule C-2, Exhibit JHM-1.

6 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
7 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2011?**

8 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual
9 conservation revenue for the January 2011 through August 2011
10 period, and projected conservation revenues for the September 2011
11 through December 2011 period.

12 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
13 **PERIOD JANUARY 1, 2011 THROUGH DECEMBER 31, 2011?**

14 A. The Company is over-recovered by \$17,791, as calculated on
15 Schedule C-3, Page 4, line 11, Exhibit JHM-1.

16 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO**
17 **RECOVER DURING THE PERIOD JANUARY 1, 2012 THROUGH**
18 **DECEMBER 31, 2012?**

19 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
20 recover \$17,159 during the referenced period. This amount represents
21 the projected costs of \$34,950 to be incurred during 2012, plus the
22 estimated true-up of \$17,791 for calendar year 2011.

1 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
2 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
3 **CLASS FOR THE JANUARY 2012 THROUGH DECEMBER 2012**
4 **PERIOD?**

5 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
6 Company's proposed ECCR factors for 2012.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes.

PEOPLES GAS SYSTEM
DOCKET NO. 110004-GU
FILED: 09/13/2011

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KANDI M. FLOYD**

5
6 **Q.** Please state your name, business address, by whom you
7 are employed, and in what capacity?

8
9 **A.** My name is Kandi M. Floyd. My business address is
10 Peoples Gas System, 702 North Franklin Street, P.O. Box
11 2562, Tampa, Florida 33601-2562. I am employed by
12 Peoples Gas System ("Peoples" or the "Company") and am
13 the Manager of State Regulatory.

14
15 **Q.** Please describe your educational and employment
16 background.

17
18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Energy Conservation Cost
3 Recovery ("ECCR") Clause and the Purchased Gas
4 Adjustment as well as various other regulatory
5 activities for Peoples.

6
7 **Q.** What is the purpose of your testimony in this docket?

8
9 **A.** My testimony addresses Peoples' conservation programs,
10 the expenses that Peoples has incurred, the revenues
11 recovered by Peoples through the ECCR clause from
12 January 2011 through August 2011, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2012.

15
16 First, my testimony describes generally the actual and
17 projected expenditures made for the purpose of
18 implementing, promoting and operating Peoples' energy
19 conservation programs for the current period. This
20 information includes the adjusted net true-up amounts
21 associated with those programs for the period January
22 2010 through December 2010. Next, my testimony
23 addresses the actual costs incurred from January 2011
24 through August 2011, and revised projections of program
25 costs that Peoples expects to incur from September 2011

1 through December 2011. In addition, my testimony
2 presents projected conservation program costs for the
3 period January 2012 through December 2012.

4
5 Finally, my testimony presents the calculation of the
6 conservation cost recovery adjustment factors to be
7 applied to customers' bills during the period beginning
8 with the first billing cycle for January 2012 and
9 continuing through the last billing cycle for December
10 2012.

11
12 **Q.** Are you sponsoring any exhibits with your testimony?

13
14 **A.** Yes. I am sponsoring two exhibits produced under my
15 direction and supervision. Exhibit ____ (KMF-1) contains
16 the conservation cost recovery true-up data for the
17 period January 2010 through December 2010, and Exhibit
18 ____ (KMF-2) contains the conservation cost recovery
19 true-up data for the period January 2011 through August
20 2011 as well as re-projected expenses for the period
21 September 2011 through December 2011. Exhibit ____ (KMF-
22 2) consists of Schedules C-1 through C-5, which contain
23 information related to the calculation of the ECCR
24 factors to be applied to customers' bills during the
25 period January 2012 through December 2012.

1 Q. Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2010 through December 2010?
4

5 A. Yes. Actual expenses for the period January 2010
6 through December 2010 are shown on Schedule CT-2, page
7 2, of Exhibit ____ (KMF-1). Schedule CT-2, page 1
8 presents a comparison of the actual program costs and
9 true-up amount to the projected costs and true-up amount
10 for the same period.
11

12 Q. What are the Company's true-up amounts for the period
13 January 2010 through December 2010?
14

15 A. As shown on Schedule CT-1 of Exhibit ____ (KMF-1), the
16 end-of-period net true-up for the period is an over-
17 recovery of \$1,356,551 including both principal and
18 interest. The projected true-up for the period, as
19 approved by Commission Order No. PSC-10-0705-FOF-GU, was
20 an over-recovery of \$1,104,557 (including interest).
21 Subtracting the projected true-up over-recovery from the
22 actual over-recovery yields the adjusted net true-up of
23 \$251,994 over-recovery (including interest).
24

25 Q. Have you prepared summaries of the Company's

1 conservation programs and the projected costs associated
2 with these programs?

3
4 **A.** Yes. Summaries of the Company's programs are presented
5 in Schedule C-5 of Exhibit ____ (KMF-2).

6
7 **Q.** Have you prepared schedules required for the calculation
8 of Peoples' proposed conservation adjustment factors to
9 be applied during the billing periods from January 2012
10 through and including December 2012?

11
12 **A.** Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
13 expenses for the period January 2011 through August 2011
14 and projected expenses for the period September 2011
15 through December 2011.

16
17 Projected expenses for the January 2012 through December
18 2012 period are shown on Schedule C-2 of Exhibit
19 ____ (KMF-2). The total annual cost projected represents
20 a continuation of Peoples' efforts to expand the
21 availability of natural gas throughout Florida, and to
22 retain its existing natural gas customers. Schedule C-1
23 shows the calculation of the conservation adjustment
24 factors to be applied to all customers of the Company
25 who are subject to the factors. The estimated true-up

1 amount from Schedule C-3 (Page 4) of Exhibit____(KMF-2),
2 an over-recovery, was subtracted from the total of the
3 projected costs for the January 2012 through December
4 2012 period. The resulting total of \$6,818,075 is the
5 expense to be recovered during calendar year 2012. This
6 total expense was then allocated to the Company's
7 affected rate classes pursuant to the methodology
8 previously approved by the Commission, divided by the
9 expected consumption of each rate class, and then
10 adjusted for the regulatory assessment fee.

11
12 Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting
13 estimated ECCR revenues and adjustment factors by rate
14 class for the period January 2012 through December 2012.

15
16 **Q.** Does this conclude your prefiled direct testimony?

17
18 **A.** Yes, it does.
19
20
21
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25

1. BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2. In Re: Conservation Cost
Recovery Clause

Docket No. 110004-GU
Filing Date: April 29, 2011

3. _____/

4.

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

6.

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

9. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456
10. St. Joe Natural Gas Company in the capacity of Energy
11. Conservation Analyst.

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

13. A. My purpose is to submit the expenses and revenues
14. associated with the Company's conservation programs
15. during the twelve month period ending December 31, 2010
16. and to identify the final true-up amount related to that
17. period.

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

20. A. Yes, I have prepared and filed together with this testi-
21. mony this 29th day of April, 2011 Schedules CT-1 through
22. CT-5 prescribed by the Commission Staff which have
23. collectively been entitled "Adjusted Net True-up for
24. twelve months ending December 31, 2010" for identi-
25. fication

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

3. A. \$170,374.00

4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2010?

6. A. The final true-up amount for December 31, 2010 is
7. an over-recovery of \$700.00.

8. Q. Does this conclude your testimony?

9. A. Yes

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25.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost) Docket No.110004-GU
3 Recovery Clause) Submitted for Filing
) September 12, 2011

4

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

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

9 A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida
10 32456, St Joe Natural Gas Company in the capacity of
11 Energy Conservation Analyst.

12 Q. What is the purpose of your testimony?

13 A. My purpose is to submit the known and projected expenses and
14 revenues associated with SJNG's conservation programs incurred
15 in January thru August 2011 and projection costs to be incurred
16 from September 2011 through December 2011. It will also include
17 projected conservation costs for the period January 1, 2012
18 through December 31, 2012 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2012 through December 31, 2012 period.

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

22 A. Yes, I have prepared and filed to the Commission the 12th day of
23 September 2011 Schedule C-1 prescribed by the Commission Staff
24 which has collectively been titled Energy Conservation Adjustment
25 Summary of Cost Recovery Clause Calculation for months January

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, \$.03006 per therm for GS-1, \$.01597
7 per therm for GS-2, and \$.00702 per therm for GS-4/FTS-4

8 Q. Does this conclude your testimony?

9 A. Yes.

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1 **CHAIRMAN GRAHAM:** Okay. Exhibits.

2 **MS. CRAWFORD:** Yes, sir. Again in this docket
3 Staff has prepared and distributed to the Commissioners
4 and all parties a Comprehensive Exhibit List.

5 Item 1 on that list is the list itself, and
6 then it goes through and lists the prefiled exhibits for
7 all the parties. Staff would request that those items
8 be identified as numbered in the list and moved into the
9 record.

10 **CHAIRMAN GRAHAM:** We will identify them as
11 numbered and move it into the record.

12 (Exhibits 1 through 14 marked for
13 identification and admitted into the record.)

14 **MS. CRAWFORD:** With that, Commissioner, Mr.
15 Chairman, again, there are proposed stipulations on all
16 issues, and Staff recommends that with the approval of
17 the stipulations we could have a bench vote in this
18 docket at the Commission's preference.

19 **CHAIRMAN GRAHAM:** I think we should move
20 forward with a bench decision on this, unless one of the
21 Commissioners see issue with that.

22 On Page 6 through 7, I'm sorry, 6 through 9 of
23 the Prehearing Order, Issues 1 through 4, have all been
24 stipulated. If there is no further concerns by any of
25 the parties, I'm looking for a motion.

1 Commissioner Edgar.

2 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

3 And, again, with the same comment of thanks to our Staff
4 for their work, to OPC, and to all of the other parties
5 for the work to get us to this point, I would move that
6 we approve the stipulations for Issues 1 through 4 in
7 this docket.

8 **CHAIRMAN GRAHAM:** It's been moved and seconded
9 Issues 1 through 4 in Docket 04. Any further
10 discussion? Seeing none, all in favor, say aye.

11 (Affirmative response.)

12 Any opposed?

13 (No response.)

14 By your action, you've approved those
15 stipulated issues.

16 Anything else?

17 **MS. CRAWFORD:** Mr. Chairman, with the bench
18 vote today, no post-hearing filings are necessary, and
19 Staff will note that the order will issue by
20 December 1st. And Staff is aware of no further pending
21 matters in this docket.

22 **CHAIRMAN GRAHAM:** If there's no other pending
23 matters in Docket 04, we'll consider this docket closed.

24 (Proceeding adjourned.)

25

1 STATE OF FLORIDA)
 2 COUNTY OF LEON) CERTIFICATE OF REPORTER

3
 4 I, LINDA BOLES, RPR, CRR, Official Commission
 5 Reporter, do hereby certify that the foregoing
 6 proceeding was heard at the time and place herein
 7 stated.

8 IT IS FURTHER CERTIFIED that I
 9 stenographically reported the said proceedings; that the
 10 same has been transcribed under my direct supervision;
 11 and that this transcript constitutes a true
 12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
 14 employee, attorney or counsel of any of the parties, nor
 15 am I a relative or employee of any of the parties'
 16 attorneys or counsel connected with the action, nor am I
 17 financially interested in the action.

18 DATED THIS 4th day of November, 2011.

19
 20
 21
 22
 23
 24
 25

 LINDA BOLES, RPR, CRR
 FPSC Official Commission Reporter
 (850) 413-6734