

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
www.stjoenaturalgas.com

September 12, 2012

RECEIVED-FPSC
12 SEP 20 AM 8:58
COMMISSION
CLERK

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

Re: Docket No. 120004-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, 2013.

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
AFD	1
APA	1
ECO	1
ENG	1
GCL	1
IDM	1
TEL	1
CLK	1

DOCUMENT NUMBER-DATE

06315 SEP 20 12

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 120004-GU
Submitted for filing
September 12, 2012

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

06315 SEP 20 12

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, 2013 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2012), as well as interest calculated in accordance with the methodology established by the Commission.

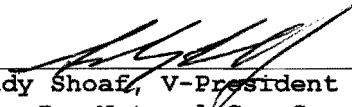
5. **SJNG** projects total conservation program expenses, net of all programs revenue of \$45,175 for the twelve month period ending December 31, 2013. The estimated net true-up for the twelve months ending December 31, 2012 is an **under-recovery** of \$64,396. After increasing the projected conservation expenses by the amount of this **under-recovery**, a total of \$109,371.00 remains to be collected during the twelve months ending December 31, 2013. Dividing this total by the projected sales for the period by 1,087,979 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.24830 per therm for RS-1, \$0.16415 per therm for RS-2, \$0.12791 per therm for RS-3, \$0.11250 per therm for GS-1, \$0.04645 per therm for GS-2, and \$0.02180 per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
Docket No. 120004-GU
September 12, 2012
Page 3

The calculation of these factors per therm 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, 2013 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 12th day of September 2012.



Andy Shoaf, V-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.120004-GU
Submitted for Filing
September 12, 2012

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 2012 and projection costs to be incurred from September 2012 through December 2012. It will also include projected conservation costs for the period January 1, 2013 through December 31, 2013 with a calculation of the conservation adjustment factors to be applied to the customers' bills during the January 1, 2013 through December 31, 2013 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 2012 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

1 1, 2013 through December 31, 2013 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, 2013?

5 A. \$.24830 per therm for RS-1, \$.16415 per therm for RS-2, and
6 \$.12791 per therm for RS-3, \$0.11250 per therm for GS-1, \$0.04645
7 per therm for GS-2, and \$0.02180 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. 120004-GU
Submitted for Filing
September 12, 2012

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 2012.

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.
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Office of Public Counsel
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Fl Public Utilities Co
Cheryl Martin
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Peoples Gas System
Paula Brown
PO Box 111
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AGL Resources Inc.
Elizabeth Wade/Brian Sulmonetti
Ten Peachtree Place
Location 1470
Atlanta, GA 30309

Florida City Gas
Carolyn Bermudez
933 East 25th St
Hialeah, Fl 33013-3403

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2013 THROUGH DECEMBER 2013

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	45,175
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	64,396
3. TOTAL (LINE 1 AND LINE 2)	109,571

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	10,751	79,925	139,763	56,300	196,063	19,746	10.07109%	0.24705	1.00503	0.24830
RS-2	10,933	165,899	174,928	94,113	269,041	27,095	10.07109%	0.16332	1.00503	0.16415
RS-3	10,491	276,129	209,820	139,117	348,937	35,142	10.07109%	0.12727	1.00503	0.12791
GS-1	2,104	62,653	42,080	27,555	69,635	7,013	10.07109%	0.11193	1.00503	0.11250
GS-2	433	215,055	30,310	68,390	98,700	9,940	10.07109%	0.04622	1.00503	0.04645
FTS4/GS-4	24	490,281	48,000	57,603	105,603	10,635	10.07109%	0.02169	1.00503	0.02180
FTS-5	0	0	0	0	0	0	10.07109%	#DIV/0!	1.00503	#DIV/0!
TOTAL	34,736	1,289,942	644,901	443,078	1,087,979	109,571				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2013 THROUGH DECEMBER 2013

<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	5,700	0	0	0	5,700
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	8,925	0	0	0	8,925
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	30,550	0	0	0	30,550
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>45,175</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,175</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2012 THROUGH DECEMBER 2012

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	11,050	0	0	0	11,050
B. ESTIMATED	0	0	0	0	2,200	0	0	0	2,200
TOTAL	0	0	0	0	13,250	0	0	0	13,250
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	14,675	0	0	0	14,675
B. ESTIMATED	0	0	0	0	5,600	0	0	0	5,600
TOTAL	0	0	0	0	20,275	0	0	0	20,275
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	47,125	0	0	0	47,125
B. ESTIMATED	0	0	0	0	8,000	0	0	0	8,000
TOTAL	0	0	0	0	55,125	0	0	0	55,125
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,650</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	88,650	0	0	0	88,650
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	88,650	0	0	0	88,650

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM NAME	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	TOTAL
RESIDENTIAL NEW CONSTRUCTION	1,700	0	3,000	950	3,100	150	100	2,050	550	550	550	550	13,250
RESIDENTIAL APPL. REPLACEMENT	2,225	1,850	2,150	0	1,400	2,975	2,225	1,850	1,400	1,400	1,400	1,400	20,275
RESIDENTIAL APPL. RETENTION	5,300	5,100	8,500	6,100	8,275	4,550	3,900	5,400	2,000	2,000	2,000	2,000	55,125
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	9,225	6,950	13,650	7,050	12,775	7,675	6,225	9,300	3,950	3,950	3,950	3,950	88,650

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2012 THROUGH DECEMBER 2012

	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-5,435	-3,970	-4,055	-2,141	-1,976	-2,103	-1,739	-1,688	-1,576	-2,123	-2,662	-3,662	-33,129
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-5,435	-3,970	-4,055	-2,141	-1,976	-2,103	-1,739	-1,688	-1,576	-2,123	-2,662	-3,662	-33,129
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	735	735	735	735	735	735	735	735	735	735	735	735	8,819
CONSERVATION REVS. APPLIC. TO PERIOD	-4,700	-3,235	-3,321	-1,406	-1,241	-1,368	-1,004	-953	-841	-1,388	-1,927	-2,927	-24,310
CONSERVATION EXPS. (FORM C-3, PAGE 3)	9,225	6,950	13,650	7,050	12,775	7,675	6,225	9,300	3,950	3,950	3,950	3,950	88,650
TRUE-UP THIS PERIOD	4,525	3,715	10,329	5,644	11,534	6,307	5,221	8,347	3,109	2,562	2,023	1,023	64,340
INTEREST THIS PERIOD (C-3,PAGE 5)	1	1	2	3	4	5	6	6	7	7	7	7	56
TRUE-UP & INT. BEG. OF MONTH	8,819	12,610	15,591	25,187	30,099	40,902	46,479	50,971	58,590	60,971	62,805	64,101	
PRIOR TRUE-UP COLLECT./(REFUND.)	-735	-735	-735	-735	-735	-735	-735	-735	-735	-735	-735	-735	
END OF PERIOD TOTAL NET TRUE-UP	12,610	15,591	25,187	30,099	40,902	46,479	50,971	58,590	60,971	62,805	64,101	64,396	64,396

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2012 THROUGH DECEMBER 2012

	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	8,819	12,610	15,591	25,187	30,099	40,902	46,479	50,971	58,590	60,971	62,805	64,101	
END. T-UP BEFORE INT.	12,609	15,590	25,185	30,096	40,898	46,474	50,965	58,583	60,964	62,798	64,093	64,389	
TOT. BEG. & END. T-UP	21,428	28,200	40,776	55,283	70,997	87,376	97,444	109,554	119,553	123,768	126,898	128,489	
AVERAGE TRUE-UP	10,714	14,100	20,388	27,642	35,498	43,688	48,722	54,777	59,777	61,884	63,449	64,245	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.07%	0.06%	0.08%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.06%	0.08%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
TOTAL	0.13%	0.14%	0.19%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	
AVG INTEREST RATE	0.07%	0.07%	0.10%	0.12%	0.13%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
MONTHLY AVG. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
INTEREST PROVISION	\$1	\$1	\$2	\$3	\$4	\$5	\$6	\$6	\$7	\$7	\$7	\$7	\$56

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	\$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 2012 THROUGH DECEMBER 2013

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	2	5	5	5	16
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	2	3	3	3	5

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2012 - DECEMBER 2013

JANUARY 12 - AUGUST 12	ACTUAL EXPENSES	11,050.00	13,250.00
SEPTEMBER 12 - DECEMBER 12	ESTIMATED EXPENSES	2,200.00	
JANUARY 2013 - DECEMBER 2013	ESTIMATED EXPENSES	5,700.00	

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	\$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 2012 THROUGH DECEMBER 2013

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	11	4	5	5	15
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	5	2	4	5	5

PROGRAM FISCAL EXPENSES FOR: JANUARY 2012 THROUGH DECEMBER 2013

JANUARY 12 - AUGUST 12	ACTUAL EXPENSES	14,675.00
SEPTEMBER 12 - DECEMBER 12	ESTIMATED EXPENSES	5,600.00
JANUARY 2013 - DECEMBER 2013	ESTIMATED EXPENSES	8,925.00

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	\$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 2012 - DECEMBER 2013

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2012 - DECEMBER 2012 (12 MTHS)	100	21	11	19	12
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	60	10	8	10	5

PROGRAM FISCAL EXPENSES FOR: JANUARY 2012 THROUGH DECEMBER 2013

JANUARY 12 - AUGUST 12	ACTUAL EXPENSES	47,125.00
SEPTEMBER 12 - DECEMBER 12	ESTIMATED EXPENSES	8,000.00
JANUARY 2013 - DECEMBER 2013	ESTIMATED EXPENSES	30,550.00

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.