



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 9, 2013

RECEIVED-FPSC
13 SEP 12 AM 10:00
COMMISSION
CLERK

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

Re: Docket No. 130003-GU
Purchased Gas Cost Recovery for period ending December 31, 2014

Dear Ms. Cole,

Enclosed for filing in the above referenced docket are an original and ten (10) copies of St. Joe Natural Gas Company's:

1. Petition for Approval of Purchased Cost Recovery Factors;
2. Schedules E-1 through E-5
3. Direct Testimony of Andy Shoaf

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

Thank you for your assistance.

Very truly yours,


Andy Shoaf
V-President

Enclosures
Copies: All known parties of record

COM	5
AFD	1
APA	1
ECO	1
ENG	1
GCL	1
IDM	1
TEL	1
CLK	1 CT REP

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 130004-GU
Submitted for filing
September 9, 2013

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.

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, 2014 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2013), as well as interest calculated in accordance with the methodology established by the Commission.

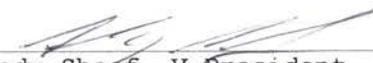
5. **SJNG** projects total conservation program expenses, net of all programs revenue of \$55,950 for the twelve month period ending December 31, 2014. The estimated net true-up for the twelve months ending December 31, 2013 is an under-recovery of \$48,730. After increasing the projected conservation expenses by the amount of this under-recovery, a total of \$104,680 remains to be collected during the twelve months ending December 31, 2014. Dividing this total by the projected sales for the period by 1,297,159 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.23774 per therm for RS-1, \$0.15696 per therm for RS-2, \$0.12258 per therm for RS-3, \$0.11254 per therm for GS-1, \$0.04466 per therm for GS-2, and \$0.02049 per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
Docket No. 130004-GU
September 9, 2013
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, 2014 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 9th day of September 2013.



Andy Shoaf, V-President
St. Joe Natural Gas Company, Inc.
P.O. Box 549
Port St. Joe, Florida 32457-0549
(850) 229-8216 x208

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost)
3 Recovery Clause)
4 _____)
 Docket No.130004-GU
 Submitted for Filing
 September 9, 2013

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 2013 and projection costs to be incurred
16 from September 2013 through December 2013. It will also include
17 projected conservation costs for the period January 1, 2014
18 through December 31, 2014 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2014 through December 31, 2014 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 9th day of
23 September 2013 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, 2014 through December 31, 2014 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, 2014?

5 A. \$.23774 per therm for RS-1, \$.15696 per therm for RS-2, and
6 \$.12258 per therm for RS-3, \$0.11254 per therm for GS-1, \$0.04466
7 per therm for GS-2, and \$0.02049 per therm for GS-4/FTS-4

8 Q. Does this conclude your testimony?

9 A. Yes.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 130004-GU
Submitted for Filing
September 9, 2013

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 9th day of September 2013.

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 Law Firm
PO Box 1531
Tampa, Fl. 33601-1531

Gunster Law Firm
Beth Keating
215 S Monroe St., Ste. 618
Tallahassee, Fl 32301

Fl. Div. Of Chesapeake
Cheryl Martin
P.O. Box 3395
West Palm Beach, Fl. 33402-3395

Office of Public Counsel
J.R. Kelly/C. Rehwinkel
111 W. Madison St, Rm. 812
Tallahassee, Fl. 32399-1400

Fl Public Utilities Co
Cheryl Martin
1641 Worthington Rd., Ste 220
West Palm Beach, Fl. 33409-6703

Peoples Gas System
Paula Brown
PO Box 111
Tampa, Fl 33601-0111

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

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

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2014 THROUGH DECEMBER 2014

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	55,950
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	48,730
3. TOTAL (LINE 1 AND LINE 2)	104,680

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	10,862	80,535	141,206	56,730	197,936	19,051	9.62476%	0.23655	1.00503	0.23774
RS-2	11,010	166,920	176,160	94,692	270,852	26,069	9.62476%	0.15618	1.00503	0.15696
RS-3	10,499	275,056	209,980	138,576	348,556	33,548	9.62476%	0.12197	1.00503	0.12258
GS-1	2,046	56,551	40,920	24,872	65,792	6,332	9.62476%	0.11197	1.00503	0.11254
GS-2	430	209,508	30,100	66,626	96,726	9,310	9.62476%	0.04444	1.00503	0.04466
FTS4/GS-4	24	508,589	48,000	59,754	107,754	10,371	9.62476%	0.02039	1.00503	0.02049
FTS-5	0	0	0	0	0	0	9.62476%	#DIV/0!	1.00503	#DIV/0!
TOTAL	34,871	1,297,159	646,366	441,249	1,087,615	104,680				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2014 THROUGH DECEMBER 2014

<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	9,950	0	0	0	9,950
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	10,850	0	0	0	10,850
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	35,150	0	0	0	35,150
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>55,950</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,950</u>

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM NAME	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
RESIDENTIAL NEW CONSTRUCTION	250	700	5,200	5,850	800	550	700	250	550	550	550	550	16,500
RESIDENTIAL APPL. REPLACEMENT	2,500	400	4,425	1,575	1,325	2,525	200	1,375	1,400	1,400	1,400	1,400	19,925
RESIDENTIAL APPL. RETENTION	4,650	5,400	6,150	2,100	4,850	6,900	5,050	5,850	3,500	3,500	3,500	3,500	54,950
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	7,400	6,500	15,775	9,525	6,975	9,975	5,950	7,475	5,450	5,450	5,450	5,450	91,375

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2013 THROUGH DECEMBER 2013

	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-17,921	-16,745	-15,358	-11,607	-8,760	-5,886	-5,643	-6,914	-6,574	-5,709	-7,957	-12,075	-121,150
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-17,921	-16,745	-15,358	-11,607	-8,760	-5,886	-5,643	-6,914	-6,574	-5,709	-7,957	-12,075	-121,150
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	6,538	6,538	6,538	6,538	6,538	6,538	6,538	6,538	6,538	6,538	6,538	6,538	78,459
CONSERVATION REVS. APPLIC. TO PERIOD	-11,383	-10,207	-8,819	-5,069	-2,222	652	895	-376	-36	829	-1,419	-5,537	-42,691
CONSERVATION EXPS. (FORM C-3, PAGE 3)	7,400	6,500	15,775	9,525	6,975	9,975	5,950	7,475	5,450	5,450	5,450	5,450	91,375
TRUE-UP THIS PERIOD	-3,983	-3,707	6,956	4,456	4,753	10,627	6,845	7,099	5,414	6,279	4,031	-87	48,684
INTEREST THIS PERIOD (C-3, PAGE 5)	8	8	6	4	3	3	3	2	2	2	2	2	46
TRUE-UP & INT. BEG. OF MONTH	78,459	67,945	57,708	58,131	56,053	54,271	58,363	58,672	59,236	58,114	57,858	55,353	
PRIOR TRUE-UP COLLECT./(REFUND.)	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	-6,538	
END OF PERIOD TOTAL NET TRUE-UP	67,945	57,708	58,131	56,053	54,271	58,363	58,672	59,236	58,114	57,858	55,353	48,730	48,730

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2013 THROUGH DECEMBER 2013

	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	78,459	67,945	57,708	58,131	56,053	54,271	58,363	58,672	59,236	58,114	57,858	55,353	
END. T-UP BEFORE INT.	67,938	57,700	58,125	56,049	54,268	58,360	58,669	59,233	58,112	57,855	55,351	48,728	
TOT. BEG. & END. T-UP	146,397	125,645	115,833	114,179	110,321	112,631	117,032	117,906	117,348	115,970	113,209	104,081	
AVERAGE TRUE-UP	73,198	62,823	57,916	57,090	55,160	56,315	58,516	58,953	58,674	57,985	56,604	52,041	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.10%	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
TOTAL	0.25%	0.29%	0.23%	0.18%	0.14%	0.13%	0.13%	0.10%	0.10%	0.10%	0.10%	0.10%	
AVG INTEREST RATE	0.13%	0.15%	0.12%	0.09%	0.07%	0.07%	0.07%	0.05%	0.05%	0.05%	0.05%	0.05%	
MONTHLY AVG. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	
INTEREST PROVISION	\$8	\$8	\$6	\$4	\$3	\$3	\$3	\$2	\$2	\$2	\$2	\$2	\$46

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 2013 THROUGH DECEMBER 2014

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	0	8	10	7	15
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	2	5	5	5	10

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2013 - DECEMBER 2014

JANUARY 13 - AUGUST 13	ACTUAL EXPENSES	14,300.00	14,300.00
SEPTEMBER 13 - DECEMBER 13	ESTIMATED EXPENSES	2,200.00	
JANUARY 2014 - DECEMBER 2014	ESTIMATED EXPENSES	9,950.00	

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 2013 THROUGH DECEMBER 2014

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	6	0	5	9	13
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	5	0	4	5	10

PROGRAM FISCAL EXPENSES FOR: JANUARY 2013 THROUGH DECEMBER 2014

JANUARY 13 - AUGUST 13	ACTUAL EXPENSES	14,325.00	14,325.00
SEPTEMBER 13 - DECEMBER 13	ESTIMATED EXPENSES	5,600.00	
JANUARY 2014 - DECEMBER 2014	ESTIMATED EXPENSES	10,850.00	

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 2013 - DECEMBER 2014

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2013 - DECEMBER 2013 (12 MTHS)	74	13	8	17	11
JANUARY 2014 - DECEMBER 2014 (12 MTHS)	70	10	8	10	7

PROGRAM FISCAL EXPENSES FOR: JANUARY 2013 THROUGH DECEMBER 2014

JANUARY 13 - AUGUST 13	ACTUAL EXPENSES	40,950.00	40,950.00
SEPTEMBER 13 - DECEMBER 13	ESTIMATED EXPENSES	14,000.00	
JANUARY 2014 - DECEMBER 2014	ESTIMATED EXPENSES	35,150.00	

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.