

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 150004-GU

NATURAL GAS CONSERVATION COST
RECOVERY.

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JULIE I. BROWN
COMMISSIONER JIMMY PATRONIS

DATE: Monday, November 2, 2015

TIME: Commenced at 1:11 p.m.
Concluded at 1:15 p.m.

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

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

1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
3 South Monroe Street, Suite 601, Tallahassee, Florida
4 32301-1839, appearing on behalf of Florida Division of
5 Chesapeake Utilities Corporation (CUC), Florida Public
6 Utilities Company (FPUC), Florida Public Utilities
7 Company - Indiantown Division (Indiantown), Florida
8 Public Utilities - Fort Meade (Fort Meade), and Florida
9 City Gas.

10 J.R. KELLY, PUBLIC COUNSEL; CHARLES
11 REHWINKEL, DEPUTY PUBLIC COUNSEL, and PATRICIA
12 CHRISTENSEN, ASSOCIATE PUBLIC COUNSEL, ESQUIRES,
13 Office of Public Counsel, c/o The Florida Legislature,
14 111 West Madison Street, Room 812, Tallahassee, Florida
15 32399-1400, appearing on behalf of the Citizens of the
16 State of Florida.

17 NORMAN H. HORTON, ESQUIRE, Messer Law Firm,
18 P.O. Box 15579, Tallahassee, Florida 32317, appearing on
19 behalf of Sebring Gas System, Inc.

20 LESLIE AMES and KELLEY CORBARI, ESQUIRES,
21 Florida Public Service Commission, 2540 Shumard Oak
22 Boulevard, Tallahassee, Florida 32399-0850, appearing on
23 behalf of the Florida Public Service Commission.

1 APPEARANCES (Continued):

2 MARY ANNE HELTON, ESQUIRE, Advisor to the
3 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
4 Florida 32399-0850, appearing as advisor to the Florida
5 Public Service Commission.

6 CHARLIE BECK, General Counsel, Florida
7 Public Service Commission, 2540 Shumard Oak Boulevard,
8 Tallahassee Florida, appearing as General Counsel to the
9 Florida Public Service Commission.

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I N D E X

WITNESSES

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NAME:	PAGE NO.
CURTIS YOUNG Prefiled Direct Testimony Inserted	11
MIGUEL BUSTOS Prefiled Direct Testimony Inserted	24
KANDI M. FLOYD Prefiled Direct Testimony Inserted	29
DEBBIE STITT Prefiled Direct Testimony Inserted	35
JERRY H. MELENDY, JR. Prefiled Direct Testimony Inserted	39

EXHIBITS

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1 - 12 As described in Comprehensive
Exhibit List

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P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** All right. Good afternoon,
3 everybody. We will call this clause hearing to order,
4 the 2015 clause hearing. Let the record show it is
5 Monday, November the 2nd, and it's probably about
6 three minutes after 1:00.

7 Staff, if I can get you to read the
8 notice, please.

9 **MS. MAPP:** By notice issued October 2nd, 2015,
10 this time and place was set for a hearing in the
11 following dockets: Docket No. 150001-EI, 150002-EG,
12 150003-GU, 150004-GU, and 150007-EI. The purpose of the
13 hearing was set out in the notice.

14 **CHAIRMAN GRAHAM:** All right. Seeing that we
15 have five dockets in front of us, let's take
16 appearances.

17 **MR. BUTLER:** John Butler appearing on behalf
18 of Florida Power & Light Company. With me, Maria
19 Moncada, and also enter an appearance for Wade
20 Litchfield. We are in the 01, 02, and 07 dockets.

21 **MR. BERNIER:** Good afternoon, Matt Bernier on
22 behalf of Duke Energy Florida in the 01, 02, and
23 07 dockets. I'd also like to enter an appearance for
24 Dianne Triplett in those same dockets, and John Burnett
25 in the 01 docket.

1 **CHAIRMAN GRAHAM:** Thank you.

2 **MR. BEASLEY:** Good afternoon, Commissioners.
3 James D. Beasley of the law firm of Ausley & McMullen on
4 behalf of Tampa Electric Company in the 01, 02, and 07
5 dockets. I would also like to enter an appearance for
6 J. Jeffrey Wahlen and Ashley M. Daniels of the same
7 firm.

8 **MR. BADDERS:** Good afternoon. Russell Badders
9 on behalf of Gulf Power Company in the 01, 02, and 07
10 dockets. And I'd like to also enter an appearance for
11 Jeffery A. Stone and Steven R. Griffin in the same
12 dockets.

13 **MS. KEATING:** Good afternoon. Beth Keating
14 with the Gunster Law Firm here today on behalf of FPUC
15 in the 01, 02, and 03 dockets. I'm also here for
16 Florida City Gas in the 03 docket. And in the 04 docket
17 I'm here for FPU, FPU Fort Meade, Indiantown,
18 Chesapeake, and Florida City Gas.

19 **MR. HORTON:** Norman H. Horton, Jr., appearing
20 on behalf of Sebring Gas Company in the 04 docket.

21 **MR. MOYLE:** Jon Moyle with the Moyle Law Firm
22 appearing on behalf of the Florida Industrial Power
23 Users Group, FIPUG. I'd also like to enter an
24 appearance for Karen Putnal who is with our firm, and we
25 will be in the 01, 02, and 07 dockets.

1 **MR. BREW:** Good afternoon. James Brew of the
2 firm of Stone, Mattheis, Xenopoulos & Brew for White
3 Springs Agricultural Chemicals/PCS Phosphate. We're in
4 the 01, 02, and 07 dockets. And I also like to note an
5 appearance for Owen Kopon.

6 **MR. WRIGHT:** Good afternoon, Mr. Chairman,
7 Commissioners. Robert Scheffel Wright and John T.
8 LaVia, III, with the Gardner Law Firm on behalf of the
9 Florida Retail Federation in the 001 docket. Thank you.

10 **MR. REHWINKEL:** Good afternoon, Commissioners.
11 Charles Rehwinkel, J. R. Kelly, Patty Christensen and
12 Erik Sayler with the Office of Public Counsel in the
13 01 docket. The same appearances except for Mr. Sayler
14 in the 02, 03, 04, and 07 dockets.

15 **MS. MAPP:** Kyesha Mapp for staff in the
16 03 docket; Suzanne Brownless, Danijela Janjic, and John
17 Villafrate for the 01 docket; Lee Eng Tan and Bianca
18 Lherisson for the 02 docket; Leslie Ames and Kelly
19 Corbari for the 04 docket; and Charles Murphy for the 07
20 docket.

21 Staff would also like to note that Peoples
22 Gas System and St. Joe's Gas Company has been
23 excused from this hearing in the 03 and the 04
24 dockets.

25 **MS. HELTON:** Mary Anne Helton. I'm here as

1 your advisor in the all of the dockets.

2 **MR. BECK:** And Charlie Beck, General Counsel.

3 * * * * *

4 **CHAIRMAN GRAHAM:** Okay. We'll open Docket
5 No. 4. Staff, any preliminary matters?

6 **MS. AMES:** Staff will note for the record that
7 St. Joe Natural Gas Company and Peoples Gas have been
8 excused from the hearing in the 04 docket.

9 **CHAIRMAN GRAHAM:** Okay.

10 **MS. AMES:** Staff will note that all witnesses
11 have been excused. Staff will say that the parties have
12 waived opening statements. And staff would like to note
13 that there are proposed stipulations on all issues, with
14 OPC taking no position. OPC does not object to but does
15 not join in the proposed stipulations. Because the
16 parties are proposing stipulations on all of the issues,
17 staff would like to suggest that the Commission may make
18 a bench decision in this case. If the Commission
19 decides that a bench decision is appropriate, staff will
20 recommend that the proposed stipulations on page
21 6 through 11 of the Prehearing Order as Issues 1
22 through 5 be approved by the Commission.

23 **CHAIRMAN GRAHAM:** Okay. Commissioners,
24 once again, questions, concerns, comments on Docket
25 No. 4. Commissioner Brown.

1 **COMMISSIONER BROWN:** Mr. Chairman, similarly
2 to the last docket, and noting that all of the parties
3 have agreed to the stipulation for this docket, in 04 I
4 would move approval on Issues 1 through 5, pages
5 6 through 11 on the Prehearing Order, again in Docket
6 04.

7 **CHAIRMAN GRAHAM:** Okay. It's been moved and
8 seconded, Issues 1 through 5. Any further discussion?
9 Seeing none, all in favor, say aye.

10 (Vote taken.)

11 Any opposed? By your action, you've
12 approved the motion.

13 Staff, prefiled direct testimony.

14 **MS. AMES:** Staff will ask that the prefiled
15 testimony of all witnesses identified in Section VI of
16 the prehearing order be inserted into the record as
17 though read.

18 **CHAIRMAN GRAHAM:** We will insert all of the
19 prefiled direct testimony from those witnesses into the
20 record as though read.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 150004-GU
NATURAL GAS CONSERVATION COST RECOVERY

Revised Direct Testimony
(Final True Up) of
CURTIS D. YOUNG

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young: my business address is 1641 Worthington Road, Suite 220,
3 West Palm Beach, Florida 33409.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Senior Regulatory
6 Analyst.
- 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
9 Conservation costs for the period January 1, 2014 through December 31, 2014
10 as compared to the amount previously reported for that period which was
11 based on Six months actual and Six months estimated data.
- 12 Q. Please state the actual amount of over/under recovery of Conservation Program
13 costs for the gas divisions of Florida Public Utilities Company for January 1,
14 2014 through December 31, 2014.

1 A. The Company under-recovered \$ 648,399 during that period. This amount is
2 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and
3 Interest 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 \$51,752 as of December 31,
7 2014.

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

9 A. Yes, I have one. I am sponsoring Schedules CT-1, CT-2, CT-3, CT-4, CT-5
10 and CT-6 (Composite Exhibit CDY-1) in conjunction with my testimony.

11 Q. Does this conclude your testimony?

12 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 150004-GU
NATURAL GAS CONSERVATION COST RECOVERY

Direct Testimony of
CURTIS D. YOUNG
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY –
INDIANTOWN DIVISION

- 1 Q. Please state your name and business address.
- 2 A. Curtis Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Senior Regulatory
6 Analyst.
- 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
9 Conservation costs for the period January 1, 2014 through December 31, 2014
10 as compared to the amount previously reported for that period which was
11 based on seven 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 Indiantown Division of Florida Public Utilities Company for
14 January 1, 2014 through December 31, 2014.

1 A. The Company under-recovered \$8,765 during that period. This amount is
2 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and
3 Interest 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 \$171 as of December 31, 2014.

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

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

10 Q. Does this conclude your testimony?

11 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 150004-GU
NATURAL GAS CONSERVATION COST RECOVERY

Direct Testimony (Final
True Up) of
CURTIS D. YOUNG

On Behalf of
CHESAPEAKE UTILITIES CORPORATION
- FLORIDA DIVISION

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young: my business address is 1641 Worthington Road, Suite 220,
3 West Palm Beach, Florida 33409.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Senior Regulatory
6 Analyst.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under recovery
9 of the Conservation costs for the period January 1, 2014
10 through December 31, 2014 as compared to the amount previously reported for
11 that period which was based on six months actual and six months estimated
12 data.

1 Q. Please state the actual amount of over/under recovery of Conservation Program
2 costs for the Florida division of Chesapeake Utilities Corporation for January
3 1, 2014 through December 31, 2014.

4 A. The Company under-recovered \$399,372 during that period. This amount is
5 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and
6 Interest Provision.

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

9 A. We had estimated that we would over-recover \$30,934 as of December 31,
10 2014.

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

12 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and
13 CT-6 (Composite Exhibit CDY-3).

14 Q. Does this conclude your testimony?

15 A. Yes.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 150004-GU: Natural Gas Conservation Cost
Recovery
Direct Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES AND FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED GAS
COMPANIES

1 **Q. Please state your name and business address.**

2 A. Curtis D. Young. My business address is 1641
3 Worthington Drive Suite 220, West Palm Beach,
4 Florida 33409.

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

6 A. I am employed by Florida Public Utilities Company
7 (FPUC) as the Senior Regulatory Analyst.

8 **Q. Can you please provide a brief overview of your**
9 **educational and employment background?**

10 A. I graduated from Pace University in 1982 with a BBA
11 in Accounting. I have been employed by FPUC since
12 2001. During my employment at FPUC, I have performed
13 various accounting and analytical functions
14 including regulatory filings, revenue reporting,
15 account analysis, recovery rate reconciliations and
16 earnings surveillance. I'm also involved in the
17 preparation of special reports and schedules used
18 internally by division managers for decision making
19 projects. Additionally, I coordinate the gathering

1 of data for the FPSC audits.

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

3 A. To describe generally the expenditures made and
4 projected to be made in implementing, promoting, and
5 operating the Company's energy conservation
6 programs. This will include recoverable costs
7 incurred in January through June 2015 and
8 projections of program costs to be incurred July
9 through December 2015. It will also include
10 projected conservation costs, for the period January
11 through December 2016, with a calculation of the
12 Energy Conservation Cost Recovery Adjustment and
13 Energy Conservation Cost Recovery Adjustment
14 (Experimental) factors to be applied to the
15 customers' bills during the collection period of
16 January 1, 2016 through December 31, 2016.

17 **Q. Have there been any material changes in the**
18 **Conservation filing compared to the prior year?**

19 A. No, as done in the 2015 projections, the Company has
20 consolidated the natural gas conservation programs
21 and costs for the 2016 projection period. The
22 schedules were prepared this period using
23 consolidated costs and revenues for Florida Public
24 Utilities Gas Division (FPUC), the Florida Division
25 of Chesapeake Utilities, the FPUC Ft. Meade
26 Division, and the FPUC Indiantown Division.

1 **Q. Have you included descriptions and summary**
2 **information on the Conservation Programs currently**
3 **approved and available to your customers for Florida**
4 **Public Utilities Company?**

5 A. Yes, the Company has included summaries of the
6 approved conservation programs currently available
7 to our customers in all divisions in C-5 of Exhibit
8 CDY-4.

9 **Q. Has the Company prepared summaries of the Company's**
10 **Conservation Programs and the Costs associated with**
11 **these Programs?**

12 A. Yes, the Company's Energy Conservation Manager, Kira
13 Lake, prepared the summaries of the Company's
14 Conservation Programs and costs associated with
15 these programs in C-5 of Exhibit CDY-4.

16 **Q. What are the total projected costs for the period**
17 **January 2016 through December 2016 in the Florida**
18 **Division of Chesapeake Utilities Corporation?**

19 A. The total projected Consolidated Conservation
20 Program Costs are \$ 6,032,600. Please see Schedule
21 C-2, page 2, for the programmatic and functional
22 breakdown of these total costs.

23 **Q. What is the true-up for the period January 2015**
24 **through December 2015?**

25 A. As reflected in the Schedule C-3, Page 4 of 5, the

1 True-up amount for the Consolidated Natural Gas
2 Divisions is an under-recovery of \$1,290,449.

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

6 A. The total costs to be recovered are \$7,323,049.

7 **Q. Have you prepared a schedule that shows the**
8 **calculation of the Company's proposed Energy**
9 **Conservation Cost Recovery Adjustment factors to be**
10 **applied during billing periods from January 1, 2016**
11 **through December 31, 2016?**

12 A. Yes. Schedule C-1 of Exhibit CDY-4 shows these
13 calculations. Net program cost estimates for the
14 period January 1, 2016 through December 31, 2016 are
15 used. The estimated true-up amount from Schedule C-
16 3, page 4 of 5, of Exhibit CDY-4, being an over-
17 recovery, was subtracted from the total of the
18 projected costs for the 12-month period. The total
19 amount was then divided among the Company's rate
20 classes, excluding customers who are on market-based
21 rates that fall under Special Contract Services
22 (Original Sheet No. 19 for the Florida Division of
23 Chesapeake Utilities) and tariff rate class FTS-13
24 for the same division, based on total projected
25 contribution. In addition, the customer classes for

1 Outdoor Lights, Interruptible and Interruptible
2 Transportation have always been exempt from the
3 Conservation Adjustment Factor due to the
4 distinctive service provided by the Company.

5 The results were then divided by the projected gas
6 throughput for each rate class for the 12-month
7 period ending December 31, 2016. The resulting
8 Energy Conservation Cost Recovery Adjustment factors
9 are shown on Schedule C-1 of Exhibit CDY-4.

10 **Q. Why has the Company excluded market-based rate**
11 **customers from the Energy Conservation Cost Recovery**
12 **Adjustment factors?**

13 A. These customers are served either under the Special
14 Contract Service or Flexible Gas Service, because
15 they have alternative fuel or physical bypass
16 options and are considered by Chesapeake to be
17 "market-based rate" customers. Each of these
18 customers has viable alternatives for service;
19 therefore the negotiated and Commission-approved (in
20 the case of Special Contract Service) rates reflect
21 the fact that only a certain level of revenues can
22 be charged to these customers. In fact, the Company
23 has always excluded the Special Contract Service and
24 tariff rate class FTS-13 customers from the ECCR
25 recovery factors, consistent with its general rate
26 proceedings and consistent with the Applicability

1 section of the tariff sheet for the ECCR factors
2 (Seventh Revised Sheet No. 98). The Commission has
3 not taken issue with the Company's expressed
4 application of the factors either in the ECCR Clause
5 proceedings or in the context of any Special
6 Contract approval.

7 **Q. Have you prepared a schedule that shows the**
8 **calculation of the Florida Division of Chesapeake**
9 **Utilities proposed Energy Conservation Cost Recovery**
10 **Adjustment (Experimental) factors for certain rate**
11 **classes on an experimental basis to be applied**
12 **during billing periods from January 1, 2016 through**
13 **December 31, 2016?**

14 A. Yes, experimental per bill rates were approved for
15 rate classes FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1,
16 FTS-3 and FTS-3.1. A similar calculation was made
17 as described above for the experimental rates;
18 however, the projected number of bills for each rate
19 class for the 12-month period ending December 31,
20 2016 was utilized. The resulting Energy
21 Conservation Cost Recovery Adjustment (Experimental)
22 factors are shown on Schedule C-1, page 3 of 3 of
23 Exhibit CDY-4.

24 **Q. Are there any exhibits that you wish to sponsor in**
25 **this proceeding?**

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

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

6 A. Yes.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY (FINAL TRUE-UP) OF MIGUEL BUSTOS
3 ON BEHALF OF
4 FLORIDA CITY GAS
5 DOCKET NO. 150004-GU
6 May 4, 2015

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 Miguel Bustos and my business address is 955 East 25th
12 Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as
13 Energy Efficiency Program (“EEP”) Program Manager, and have been with
14 the Company for eleven (11) years.

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

18
19 A. Yes, I am.

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

24
25 A. Yes, I am.

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, 2014, 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 MB-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. \$5,343,191.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2014?**

20

21 A. An over-recovery of \$30,343.

22

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

24

25 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DIRECT TESTIMONY (PROJECTION) OF MIGUEL BUSTOS

ON BEHALF OF

FLORIDA CITY GAS

DOCKET NO. 150004-GU

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

3 A. My name is Miguel Bustos and my business address is 955 East 25th Street, Hialeah,
4 Florida 33013-3498. I am employed by Florida City Gas as Energy Efficiency Program
5 Manager. I have been with the Company for approximately 12 years.

6
7 **Q. Are you familiar with the energy conservation programs of Florida City Gas?**

8 A. Yes, I am.

9
10 **Q. Are you familiar with the costs that have been incurred and are projected to be**
11 **incurred by Florida City Gas in implementing its energy conservation programs?**

12 A. Yes, I am.

13
14 **Q. What is the purpose of your testimony in this docket?**

15 A. To submit the conservation cost recovery true-up for the final true-up period January 1,
16 2014 through December 31, 2014, and for the actual and estimated period of January 1,
17 2015, through December 31, 2015. I will also present the total level of costs Florida
18 City Gas seeks to recover through its conservation factors during the period January 1,

1 2016 through December 31, 2016, as well as the conservation factors which, when
2 applied to our customer's bills during the period January 1, 2016 through December 31,
3 2016, will permit recovery of total ECCR costs.

4

5 **Q. What is the Company's estimated true-up for the period January 1, 2015 through**
6 **December 31, 2015?**

7 A. An over-recovery of \$249,202. This amount is calculated on page 4 of Schedule C-3 of
8 Exhibit MB-2 and takes into account the final true-up for the year ended December 31,
9 2014, which was an over-recovery of \$746,231, including interest. For the period
10 January 1, 2014 through December 31, 2014, the Company's Adjusted Net True-Up is
11 an over-recovery of \$30,343, as reflected in Exhibit MB-1.

12

13 **Q. What is the total cost Florida City Gas seeks to recover during the period January**
14 **1, 2016 through December 31, 2016?**

15 A. The total cost is \$5,045,381. This represents the projected costs of \$5,294,583 to be
16 incurred during 2016, less the estimated true-up of \$249,202 for calendar year 2015.

17

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

20 A.	GS-1, GS-100, GS-220, RSG, CSG (Sales & Transp.)	\$0.15163
21	GS-600 (Sales & Transportation)	\$0.07531
22	GS-1200 (Sales & Transportation)	\$0.04493
23	GS-6k (Sales & Transportation)	\$0.03736

1	GS-25000 (Sales & Transportation)	\$0.03701
2	GS-60000 (Sales & Transportation)	\$0.03583
3	Gas Lights	\$0.07212
4	GS-120000 (Sales & Transportation)	\$0.02517
5	GS-250000 (Sales & Transportation)	\$0.02401

6

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

9 A. Yes. I have prepared and filed together with this testimony an Exhibit MB-2, which
10 includes the Schedules C-1 through C-5 as prescribed by the Commission.

11

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

13 A. Yes, it does.

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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 2015 through July 2015, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2016.

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 2014 through December 2014. Next, my testimony addresses
23 the actual costs incurred from January 2015 through July
24 2015, and revised projections of program costs that
25 Peoples expects to incur from August 2015 through

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December 2015. In addition, my testimony presents projected conservation program costs for the period January 2016 through December 2016.

Finally, my testimony presents the calculation of the conservation cost recovery adjustment factors to be applied to customers' bills during the period beginning with the first billing cycle for January 2016 and continuing through the last billing cycle for December 2016.

Q. Are you sponsoring any exhibits with your testimony?

A. Yes. I am sponsoring two exhibits produced under my direction and supervision. Exhibit ____ (KMF-1) contains the conservation cost recovery true-up data for the period January 2014 through December 2014, and Exhibit ____ (KMF-2) contains the conservation cost recovery true-up data for the period January 2015 through July 2015 as well as re-projected expenses for the period August 2015 through December 2015. Exhibit ____ (KMF-2) consists of Schedules C-1 through C-5, which contain information related to the calculation of the ECCR factors to be applied to customers' bills during the period January 2016 through December 2016.

1 **Q.** Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2014 through December 2014?
4

5 **A.** Yes. Actual expenses for the period January 2014
6 through December 2014 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 2014 through December 2014?
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 \$309,546 including both principal and
18 interest. The projected true-up for January 2014 through
19 December 2014, as approved by Commission Order No. PSC-
20 14-0655-FOF-GU, was an under-recovery of \$179,057
21 (including interest). Subtracting the projected true-up
22 under-recovery from the actual over-recovery yields the
23 adjusted net true-up of \$488,603 over-recovery
24 (including interest).
25

1 **Q.** Have you prepared summaries of the Company's
2 conservation programs and the projected costs associated
3 with these programs?

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

7
8 **Q.** Have you prepared schedules required for the calculation
9 of Peoples' proposed conservation adjustment factors to
10 be applied during the billing periods from January 2016
11 through and including December 2016?

12
13 **A.** Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
14 expenses for the period January 2015 through July 2015
15 and projected expenses for the period August 2015
16 through December 2015.

17
18 Projected expenses for the January 2016 through December
19 2016 period are shown on Schedule C-2 of Exhibit
20 ____ (KMF-2). The total annual cost projected represents
21 a continuation of Peoples' efforts to expand the
22 availability of natural gas throughout Florida, and to
23 retain its existing natural gas customers. Schedule C-1
24 shows the calculation of the conservation adjustment
25 factors to be applied to all customers of the Company

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who are subject to the factors. The estimated true-up amount from Schedule C-3 (Page 4) of Exhibit____(KMF-2), an over-recovery, was added to the total of the projected costs for the January 2016 through December 2016 period. The resulting total of \$12,099,834 is the expense to be recovered during calendar year 2016. This total expense was then allocated to the Company's affected rate classes pursuant to the methodology previously approved by the Commission, divided by the expected consumption of each rate class, and then adjusted for the regulatory assessment fee.

Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting estimated ECCR revenues and adjustment factors by rate class for the period January 2016 through December 2016.

Q. Does this conclude your prefilled direct testimony?

A. Yes, it does.

1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2. In Re: Conservation Cost
Recovery ClauseDocket No. 150004-GU
Filing Date: May 15, 2015

3. _____/

4.

5. **REVISED DIRECT TESTIMONY OF DEBBIE STITT ON**
6. **BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.**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 revised 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, 2014
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 revised
21. testimony this 15th day of May, 2015 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, 2014" for identi-
25. fication

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

3. A. \$128,000.00

4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2014?

6. A. The final true-up amount for December 31, 2014 is
7. an under-recovery of \$10,434.

8. Q. Does this conclude your revised testimony?

9. A. Yes

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2	In Re: Conservation Cost)	Docket No.150004-GU
3	Recovery Clause)	Submitted for Filing
4	_____)	August 19, 2015

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 July 2015 and projection costs to be incurred
16 from August 2015 through December 2015. It will also include
17 projected conservation costs for the period January 1, 2016
18 through December 31, 2016 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2016 through December 31, 2016 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 19th day of
23 August 2015 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, 2016 through December 31, 2016 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, 2016?

5 A. \$.34483 per therm for RS-1, \$.21639 per therm for RS-2, and
6 \$.15564 per therm for RS-3, \$.14949 per therm for GS-1, \$.07090
7 per therm for GS-2, and \$.03216 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

DOCKET 150004-GU

DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

MAY 5, 2015

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., 3515 U.S. Highway 27 South, Sebring FL 33870

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

5 A. I am 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 2014 through December 2014. 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 2014 through December 2014 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, Commercial New, Commercial
9 Retrofit, Commercial Retention and the Conservation Education Program.

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

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

17 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**
18 **TO ADMINISTER ITS FOUR CONSERVATION PROGRAMS FOR**
19 **THE TWELVE MONTH PERIOD ENDING DECEMBER 2012?**

20 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's
21 total 2014 programs costs were \$58,382.

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 2013?**

7 **A.** The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an
8 underrecovery of \$11,008.

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

10 **A.** Yes.

1 **CHAIRMAN GRAHAM:** Exhibits.

2 **MS. AMES:** Staff has compiled a stipulated
3 exhibit -- Comprehensive Exhibit List which includes the
4 prefiled exhibits attached to the witnesses' testimony
5 in this case. This list has been provided to the
6 parties, the Commissioners, and the court reporter.

7 The list is marked as the first hearing
8 exhibit, and the other exhibits should be marked as
9 set forth in the Comprehensive Exhibit List. Staff
10 requests that the Comprehensive Exhibit List, which
11 is marked as Exhibit 1, be entered into the record.

12 **CHAIRMAN GRAHAM:** Seeing no objections, we
13 will enter Exhibit 1 into the record.

14 **MS. AMES:** Staff would also move Exhibits
15 2 through 12 into the record as set forth in the
16 Comprehensive Exhibit List.

17 **CHAIRMAN GRAHAM:** We will also enter Exhibits
18 2 through 12 into the record.

19 (Exhibits 1 through 12 marked for
20 identification and admitted into the record.)

21 All right. So I guess this concludes the
22 hearing?

23 **MS. AMES:** There are no other matters to be
24 addressed. Since the Commission has made a bench
25 decision, post-hearing filings are not necessary, and

1 the final order will be issued November 25th.

2 **CHAIRMAN GRAHAM:** All right. So this adjourns

3 Docket No. 4.

4 (Proceeding adjourned at 1:15 p.m.)

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

3
4 I, LINDA BOLES, CRR, RPR, 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 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 13th day of November, 2015.

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