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August 7, 2020

E-Portal

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20200004-GU

Dear Mr. Teitzman:

Attached for electronic filing, please **find** 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, **2021**.

1. Schedules C-1 through C-4
2. Direct Testimony of Debbie Stitt

Thank you for your assistance.

Respectfully submitted,

Debbie Stitt
Energy Conservation Analyst

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 20200004-GU
Submitted for filing
August 7, 2020

PETITION OF ST JOE NATURAL GAS COMPANY, INC.
FOR APPROVAL OF PROPOSED CONSERVATION COST
RECOVERY CHARGES

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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, **2021** adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve-month period ending December 31, **2020**), as well as interest calculated in accordance with the methodology established by the Commission.

5. **SJNG** projects total conservation program expenses, net of all program revenue of **\$147,825** for the twelve-month period ending December 31, **2021**. The estimated net true-up for the twelve months ending December 31, **2020** is an **under-recovery** of **\$106,524**. After increasing the projected conservation expenses by the amount of this **under-recovery**, a total of **\$254,349** remains to be collected during the twelve months ending December 31, **2021**. Dividing this total by the projected sales for the period by **611,754** therms, and expanding for taxes, results in the conservation adjustment factor of **\$0.90626** per therm for RS-1, **\$0.57353** per therm for RS-2, **\$0.47108** per therm for RS-3, **\$0.40182** per therm for GS-1, **\$0.15167** per therm for GS-2, and **\$0.12696** per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
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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, 2021 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 7th day of August 2020.

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.20200004-GU
Submitted for Filing
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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 June 2020 and projection costs to be incurred
16 from July 2020 through December 2020. It will also include
17 projected conservation costs for the period January 1, 2021
18 through December 31, 2021 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2021 through December 31, 2021 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 7th day of
23 August 2020 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, 2021 through December 31, 2021 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, 2021?

5 A. \$.90626 per therm for RS-1, \$.57353 per therm for RS-2, and
6 \$.47108 per therm for RS-3, \$.40182 per therm for GS-1, \$.15167
7 per therm for GS-2, and \$.12696 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. 20200004-GU
Submitted for Filing
August 7, 2020

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing testimony have been furnished by electronic mail to the following parties of record this 7th day of August 2020.

Sebring Gas System, Inc.
Jerry H. Melendy, Jr.
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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2021 THROUGH DECEMBER 2021

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	147,825
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	106,524
3. TOTAL (LINE 1 AND LINE 2)	254,349

<u>RATE SCHEDULE</u>	<u>BILLS</u>	<u>THERM SALES</u>	<u>CUSTOMER CHARGE REVENUES</u>	<u>DELIVERY CHARGE</u>	<u>TOTAL CUST. & DELIVERY CHG REVENUE</u>	<u>ECCR REVENUES</u>	<u>ECCR AS % OF TOTAL REVENUES</u>	<u>DOLLARS THERM</u>	<u>TAX FACTOR</u>	<u>CONSERV FACTOR</u>
RS-1	11,587	74,858	150,631	97,026	247,657	67,501	27.25586%	0.90172	1.00503	0.90626
RS-2	10,336	135,205	165,376	117,707	283,083	77,157	27.25586%	0.57066	1.00503	0.57353
RS-3	6,228	125,676	124,560	91,566	216,126	58,907	27.25586%	0.46872	1.00503	0.47108
GS-1	1,780	44,454	35,600	29,609	65,209	17,773	27.25586%	0.39981	1.00503	0.40182
GS-2	285	152,893	19,950	64,703	84,653	23,073	27.25586%	0.15091	1.00503	0.15167
FTS4/GS-4	12	78,668	24,000	12,461	36,461	9,938	27.25586%	0.12633	1.00503	0.12696
TOTAL	30,228	611,754	520,117	413,072	933,189	254,349				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2021 THROUGH DECEMBER 2021

<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	59,200	0	0	0	59,200
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	13,875	0	0	0	13,875
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	74,750	0	0	0	74,750
4 LARGE FOOD SERVICE COMMERCIAL	0	0	0	0	0	0	0	0	0
5 COMMERCIAL HOSPITALITY AND LODGING	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>147,825</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>147,825</u>

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2020 THROUGH DECEMBER 2020

	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUN 2020	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-27,575	-36,629	-24,476	-17,883	-16,951	-19,450	-11,862	-11,434	-14,031	-11,165	-22,727	-22,535	-236,719
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-27,575	-36,629	-24,476	-17,883	-16,951	-19,450	-11,862	-11,434	-14,031	-11,165	-22,727	-22,535	-236,719
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	12,618	12,618	12,618	12,618	12,618	12,618	12,618	12,618	12,618	12,618	12,618	12,618	151,418
CONSERVATION REVS. APPLIC. TO PERIOD	-14,957	-24,011	-11,858	-5,265	-4,333	-6,832	756	1,184	-1,412	1,453	-10,109	-9,916	-85,301
CONSERVATION EXPS. (FORM C-3, PAGE 3)	19,100	14,375	17,600	23,475	11,525	23,525	19,000	12,500	12,500	12,500	12,500	12,500	191,100
TRUE-UP THIS PERIOD	4,143	-9,636	5,742	18,210	7,192	16,693	19,756	13,684	11,088	13,953	2,391	2,584	105,799
INTEREST THIS PERIOD (C-3,PAGE 5)	195	171	168	104	16	10	10	11	11	11	10	9	725
TRUE-UP & INT. BEG. OF MONTH	151,418	143,138	121,054	114,346	120,041	114,632	118,716	125,864	126,941	125,421	126,766	116,549	
PRIOR TRUE-UP COLLECT./(REFUND.)	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	-12,618	
END OF PERIOD TOTAL NET TRUE-UP	143,138	121,054	114,346	120,041	114,632	118,716	125,864	126,941	125,421	126,766	116,549	106,524	106,524

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2020 THROUGH DECEMBER 2020

	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUN 2020	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	151,418	143,138	121,054	114,346	120,041	114,632	118,716	125,864	126,941	125,421	126,766	116,549	
END. T-UP BEFORE INT.	142,943	120,884	114,178	119,937	114,615	118,706	125,854	126,930	125,410	126,755	116,539	106,514	
TOT. BEG. & END. T-UP	294,361	264,021	235,232	234,283	234,657	233,338	244,571	252,795	252,351	252,176	243,305	223,063	
AVERAGE TRUE-UP	147,180	132,011	117,616	117,141	117,328	116,669	122,285	126,397	126,176	126,088	121,652	111,532	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.59%	1.59%	1.51%	1.91%	0.22%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.59%	1.51%	1.91%	0.22%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
TOTAL	3.18%	3.10%	3.42%	2.13%	0.33%	0.21%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
AVG INTEREST RATE	1.59%	1.55%	1.71%	1.07%	0.17%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
MONTHLY AVG. RATE	0.13%	0.13%	0.14%	0.09%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
INTEREST PROVISION	\$195	\$171	\$168	\$104	\$16	\$10	\$10	\$11	\$11	\$11	\$10	\$9	\$725

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 2020 THROUGH DECEMBER 2021

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2020 - DECEMBER 2020(12 MTHS)	3	5	32	55	95
JANUARY 2021 - DECEMBER 2021 (12 MTHS)	3	3	24	50	85

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2020 - DECEMBER 2021

JANUARY 20 - JUNE 20	ACTUAL EXPENSES	37,250.00
JULY 20 - DECEMBER 20	ESTIMATED EXPENSES	30,000.00
JANUARY 2021 - DECEMBER 2021	ESTIMATED EXPENSES	59,200.00

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 2020 THROUGH DECEMBER 2021

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2020 - DECEMBER 2020(12 MTHS)	0	0	12	21	22
JANUARY 2021 - DECEMBER 2021 (12 MTHS)	0	0	5	15	15

PROGRAM FISCAL EXPENSES FOR: JANUARY 2020 THROUGH DECEMBER 2021

JANUARY 20 - JUNE 20	ACTUAL EXPENSES	11,850.00
JULY 20 - DECEMBER 20	ESTIMATED EXPENSES	9,000.00
JANUARY 2021 - DECEMBER 2021	ESTIMATED EXPENSES	13,875.00

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 2020 - DECEMBER 2021

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2020 - DECEMBER 2020(12 MTHS)	40	4	29	50	82
JANUARY 2021 - DECEMBER 2021 (12 MTHS)	50	5	30	50	85

PROGRAM FISCAL EXPENSES FOR: JANUARY 2020 THROUGH DECEMBER 2021

JANUARY 20 - JUNE 20	ACTUAL EXPENSES	44,000.00
JULY 20 - DECEMBER 20	ESTIMATED EXPENSES	25,000.00
JANUARY 2021 - DECEMBER 2021	ESTIMATED EXPENSES	74,750.00

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.

PROGRAM TITLE: LARGE FOOD SERVICE COMMERCIAL CONSERVATION REBATE PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of large food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial large food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise with an annual consumption of greater than 9,000 therms. The rebates offered within this program are depicted below:

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS WATER HEATING	\$1,500.00
FRYER	\$3,000.00
GAS RANGE	\$2,000.00
GAS TANKLESS W/HEATER	\$2,000.00
	<u>\$8,500.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2020 - DECEMBER 2021

	<u>WATER</u>	<u>FRYER</u>	<u>RANGE</u>	<u>TANKLESS W/H</u>
JANUARY 2020 - DECEMBER 2020(12 MTHS)	0	1	1	1
JANUARY 2021 - DECEMBER 2021 (12 MTHS)	0	0	0	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2020 THROUGH DECEMBER 2021

JANUARY 20 - JUNE 20	ACTUAL EXPENSES	7,000.00
JULY 20 - DECEMBER 20	ESTIMATED EXPENSES	0.00
JANUARY 2021 - DECEMBER 2021	ESTIMATED EXPENSES	0.00

PROGRAM PROGRESS SUMMARY: Since inception, only 11 (eleven) appliances have qualified for this program.

PROGRAM TITLE: COMMERCIAL HOSPITALITY AND LODGING

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of hospitality & lodging facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial hospitality and lodging customers are defined as establishments known to the public as hotels or motels primarily engaged in providing lodging for the general public. The rebates offered are depicted below;

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS WATER HEATING	\$1,500.00
FRYER	\$3,000.00
GAS RANGE	\$1,500.00
GAS TANKLESS W/HEATER	\$2,000.00
DRYER	\$1,500.00
	<u>\$9,500.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2020 THROUGH DECEMBER 2021

	<u>WATER</u>	<u>FRYER</u>	<u>RANGE</u>	<u>TANKLESS W/H</u>	<u>DRYER</u>
JANUARY 2020 - DECEMBER 2020(12 MTHS)	0	0	0	4	1
JANUARY 2021 - DECEMBER 2021 (12 MTHS)	0	0	0	0	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2020 THROUGH DECEMBER 2021

JANUARY 20 - JUNE 20	ACTUAL EXPENSES	9,500.00
JULY 20 - DECEMBER 20	ESTIMATED EXPENSES	0.00
JANUARY 2021 - DECEMBER 2021	ESTIMATED EXPENSES	0.00

PROGRAM PROGRESS SUMMARY: Since inception, only eight (8) appliance have qualified for this program.