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www.stjoegas.com

August 9, 2021

E-Portal

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

Re: Docket No. 20210004-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, **2022**.

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. 20210004-GU
Submitted for filing
August 9, 2021

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, **2022** adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve-month period ending December 31, **2021**), 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 **\$203,475** for the twelve-month period ending December 31, **2022**. The estimated net true-up for the twelve months ending December 31, **2021** is an **over-recovery** of **\$81,077**. After decreasing the projected conservation expenses by the amount of this **over-recovery**, a total of **\$122,398** remains to be collected during the twelve months ending December 31, **2022**. Dividing this total by the projected sales for the period by **799,085** therms, and expanding for taxes, results in the conservation adjustment factor of **\$0.34498** per therm for RS-1, **\$0.23544** per therm for RS-2, **\$0.18631** per therm for RS-3, **\$0.13503** per therm for GS-1, **\$0.06541** per therm for GS-2, and **\$0.04748** per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
Docket No. 20210004-GU
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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, **2022** and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 9th day of August 2021.

Debbie Stitt, Regulatory Analyst
St. Joe Natural Gas Company, Inc.
P.O. Box 549
Port St. Joe, Florida 32457-0549
(850) 229-8216 x205

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No.20210004-GU
Submitted for Filing
August 9, 2021

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 June 2021 and projection costs to be incurred from July 2021 through December 2021. It will also include projected conservation costs for the period January 1, 2022 through December 31, 2022 with a calculation of the conservation adjustment factors to be applied to the customers' bills during the January 1, 2022 through December 31, 2022 period.

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

A. Yes, I have prepared and filed to the Commission the 9th day of August 2021 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, 2022 through December 31, 2022 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, 2022?

5 A. **\$.34498** per therm for RS-1, **\$.23544** per therm for RS-2, and
6 **\$.18631** per therm for RS-3, **\$0.13503** per therm for GS-1, **\$0.06541**
7 per therm for GS-2, and **\$0.04748** 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. 20210004-GU
Submitted for Filing
August 9, 2021

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 9th day of August 2021.

Sebring Gas System, Inc.
Jerry H. Melendy, Jr.
3515 U.S. Hwy 27 South
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Peoples Gas System
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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2022 THROUGH DECEMBER 2022

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	203,475
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-81,077
3. TOTAL (LINE 1 AND LINE 2)	122,398

<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	12,383	93,043	160,979	120,597	281,576	31,937	11.34225%	0.34325	1.00503	0.34498
RS-2	10,893	145,869	174,288	126,991	301,279	34,172	11.34225%	0.23426	1.00503	0.23544
RS-3	6,879	151,888	137,580	110,664	248,244	28,156	11.34225%	0.18538	1.00503	0.18631
GS-1	1,825	70,396	36,500	46,887	83,387	9,458	11.34225%	0.13435	1.00503	0.13503
GS-2	327	151,944	22,890	64,301	87,191	9,889	11.34225%	0.06509	1.00503	0.06541
FTS4/GS-4	24	185,945	48,000	29,454	77,454	8,785	11.34225%	0.04725	1.00503	0.04748
TOTAL	32,331	799,085	580,237	498,894	1,079,131	122,398				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2022 THROUGH DECEMBER 2022

<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	90,400	0	0	0	90,400
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	31,425	0	0	0	31,425
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	81,650	0	0	0	81,650
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>203,475</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>203,475</u>

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2021 THROUGH DECEMBER 2021

	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-60,840	-46,380	-38,653	-31,140	-27,805	-23,179	-19,469	-23,047	-16,675	-18,193	-27,102	-33,484	-365,968
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-60,840	-46,380	-38,653	-31,140	-27,805	-23,179	-19,469	-23,047	-16,675	-18,193	-27,102	-33,484	-365,968
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	89,273
CONSERVATION REVS. APPLIC. TO PERIOD	-53,400	-38,941	-31,214	-23,701	-20,366	-15,740	-12,030	-15,608	-9,236	-10,754	-19,663	-26,044	-276,695
CONSERVATION EXPS. (FORM C-3, PAGE 3)	18,125	16,050	11,925	19,400	10,125	23,000	15,750	16,250	16,250	16,250	16,250	16,250	195,625
TRUE-UP THIS PERIOD	-35,275	-22,891	-19,289	-4,301	-10,241	7,260	3,720	642	7,014	5,496	-3,413	-9,794	-81,070
INTEREST THIS PERIOD (C-3,PAGE 5)	5	2	0	-1	-1	-1	-1	-2	-2	-2	-2	-2	-7
TRUE-UP & INT. BEG. OF MONTH	89,273	46,563	16,234	-10,493	-22,234	-39,915	-40,095	-43,816	-50,615	-51,042	-52,987	-63,841	
PRIOR TRUE-UP COLLECT./(REFUND.)	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	-7,439	
END OF PERIOD TOTAL NET TRUE-UP	46,563	16,234	-10,493	-22,234	-39,915	-40,095	-43,816	-50,615	-51,042	-52,987	-63,841	-81,077	-81,077

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2021 THROUGH DECEMBER 2021

	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	89,273	46,563	16,234	-10,493	-22,234	-39,915	-40,095	-43,816	-50,615	-51,042	-52,987	-63,841	
END. T-UP BEFORE INT.	46,558	16,233	-10,493	-22,234	-39,914	-40,094	-43,815	-50,614	-51,040	-52,985	-63,839	-81,075	
TOT. BEG. & END. T-UP	135,831	62,796	5,741	-32,727	-62,148	-80,009	-83,910	-94,430	-101,655	-104,027	-116,826	-144,916	
AVERAGE TRUE-UP	67,916	31,398	2,871	-16,364	-31,074	-40,005	-41,955	-47,215	-50,828	-52,013	-58,413	-72,458	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.09%	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	
TOTAL	0.16%	0.13%	0.10%	0.08%	0.07%	0.07%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
AVG INTEREST RATE	0.08%	0.07%	0.05%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	
MONTHLY AVG. RATE	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INTEREST PROVISION	\$5	\$2	\$0	-\$1	-\$1	-\$1	-\$1	-\$2	-\$2	-\$2	-\$2	-\$2	-\$7

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 2021 THROUGH DECEMBER 2022

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2021 - DECEMBER 2021(12 MTHS)	1	11	18	53	117
JANUARY 2022 - DECEMBER 2022 (12 MTHS)	1	10	31	55	134

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2020 - DECEMBER 2021

JANUARY 21 - JULY 21	ACTUAL EXPENSES	52,900.00
AUGUST 21 - DECEMBER 21	ESTIMATED EXPENSES	37,500.00
JANUARY 2022 - DECEMBER 2022	ESTIMATED EXPENSES	90,400.00

PROGRAM PROGRESS SUMMARY:

New construction is booming 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 2021 THROUGH DECEMBER 2022

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2021 - DECEMBER 2021(12 MTHS)	0	0	2	17	33
JANUARY 2022 - DECEMBER 2022 (12 MTHS)	0	0	6	21	39

PROGRAM FISCAL EXPENSES FOR: JANUARY 2021 THROUGH DECEMBER 2022

JANUARY 21 - JULY 21	ACTUAL EXPENSES	14,025.00
AUGUST 21 - DECEMBER 21	ESTIMATED EXPENSES	17,400.00
JANUARY 2022 - DECEMBER 2022	ESTIMATED EXPENSES	31,425.00

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 2021 - DECEMBER 2021(12 MTHS)	40	14	20	48	75
JANUARY 2022 - DECEMBER 2022 (12 MTHS)	57	13	18	72	84

PROGRAM FISCAL EXPENSES FOR: JANUARY 2021 THROUGH DECEMBER 2022

JANUARY 21 - JULY 21	ACTUAL EXPENSES	43,050.00
AUGUST 21 - DECEMBER 21	ESTIMATED EXPENSES	30,750.00
JANUARY 2022 - DECEMBER 2022	ESTIMATED EXPENSES	81,650.00

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.