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COMMISSION
CLERK

August 19, 2015

Carlotta S. Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 150004-GU

Dear Ms. Stauffer:

Enclosed for filing in the above referenced docket are the original and seven (7) 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, 2016.

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	_____
AFD	_____
APA	_____
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ENG	_____
GCL	_____
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Thank you for your assistance.

Very truly yours,

Debbie Stitt
Energy Conservation Analyst

Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
 Recovery Clause)
_____)

Docket No. 150004-GU
Submitted for filing
August 19, 2015

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, 2016 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve month period ending December 31, 2015), 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 \$128,000 for the twelve month period ending December 31, 2016. The estimated net true-up for the twelve months ending December 31, 2015 is an **under-recovery** of \$55,819. After increasing the projected conservation expenses by the amount of this **under-recovery**, a total of \$183,819 remains to be collected during the twelve months ending December 31, 2016. Dividing this total by the projected sales for the period by 1,164,932 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.34483 per therm for RS-1, \$0.21639 per therm for RS-2, \$0.15564 per therm for RS-3, \$0.14949 per therm for GS-1, \$0.07090 per therm for GS-2, and \$0.03216 per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
Docket No. 150004-GU
August 19, 2015
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, 2016 and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 19th day of August 2015.



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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No.150004-GU
Submitted for Filing
August 19, 2015

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

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

A. Yes, I have prepared and filed to the Commission the 19th day of
August 2015 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, 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

In Re: Conservation Cost)
Recovery)
_____)

Docket No. 150004-GU
Submitted for Filing
August 19, 2015

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 19th day of August 2015.

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

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Florida City Gas
Carolyn Bermudez
933 East 25th St.
Hialeah, Fl. 33013-3498

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Tallahassee, Fl. 32399-1400

Fl Public Utilities Co
Cheryl Martin/Aleida Socarras
911 South 8th St.
Fernandina Beach, Fl. 32034

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

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

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2016 THROUGH DECEMBER 2016

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	128,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	55,819
3. TOTAL (LINE 1 AND LINE 2)	183,819

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	12,707	112,378	165,191	79,160	244,351	38,557	15.77936%	0.34310	1.00503	0.34483
RS-2	11,818	237,201	189,088	134,562	323,650	51,070	15.77936%	0.21530	1.00503	0.21639
RS-3	7,462	312,493	149,240	157,437	306,677	48,392	15.77936%	0.15486	1.00503	0.15564
GS-1	2,034	80,907	40,680	35,584	76,264	12,034	15.77936%	0.14874	1.00503	0.14949
GS-2	412	223,445	28,840	71,058	99,898	15,763	15.77936%	0.07055	1.00503	0.07090
FTS4/GS-4	24	562,536	48,000	66,092	114,092	18,003	15.77936%	0.03200	1.00503	0.03216
FTS-5	0	0	0	0	0	0	15.77936%	#DIV/0!	1.00503	#DIV/0!
TOTAL	34,457	1,528,960	621,039	543,893	1,164,932	183,819				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2016 THROUGH DECEMBER 2016

<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	24,750	0	0	0	24,750
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	28,350	0	0	0	28,350
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	74,900	0	0	0	74,900
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>128,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>128,000</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

JANUARY 2015 THROUGH DECEMBER 2015

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	13,700	0	0	0	13,700
B. ESTIMATED	0	0	0	0	7,000	0	0	0	7,000
TOTAL	0	0	0	0	20,700	0	0	0	20,700
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	19,800	0	0	0	19,800
B. ESTIMATED	0	0	0	0	10,000	0	0	0	10,000
TOTAL	0	0	0	0	29,800	0	0	0	29,800
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	50,000	0	0	0	50,000
B. ESTIMATED	0	0	0	0	24,000	0	0	0	24,000
TOTAL	0	0	0	0	74,000	0	0	0	74,000
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	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	0	0	0	124,500	0	0	0	124,500

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2015 THROUGH DECEMBER 2015

PROGRAM NAME	<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>
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	124,500	0	0	0	124,500
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,500</u>

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2015 THROUGH DECEMBER 2015

	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.													
b.													
c.	-18,449	-17,848	-15,554	-7,748	-7,629	-5,559	-5,179	-6,476	-5,108	-5,289	-10,886	-14,755	-120,479
CONSERV. ADJ REV. (NET OF REV. TAXES)													
TOTAL REVENUES	-18,449	-17,848	-15,554	-7,748	-7,629	-5,559	-5,179	-6,476	-5,108	-5,289	-10,886	-14,755	-120,479
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	4,056	4,056	4,056	4,056	4,056	4,056	4,056	4,056	4,056	4,056	4,056	4,056	48,666
CONSERVATION REVS. APPLIC. TO PERIOD	-14,393	-13,792	-11,498	-3,692	-3,574	-1,503	-1,124	-2,420	-1,052	-1,234	-6,831	-10,699	-71,813
CONSERVATION EXPS. (FORM C-3, PAGE 3)	10,975	6,400	13,225	14,325	6,400	14,500	7,425	10,250	10,250	10,250	10,250	10,250	124,500
TRUE-UP THIS PERIOD	-3,418	-7,392	1,727	10,633	2,826	12,997	6,301	7,830	9,198	9,016	3,419	-449	52,687
INTEREST THIS PERIOD (C-3,PAGE 5)	3	120	167	181	240	285	310	314	346	382	399	385	3,132
TRUE-UP & INT. BEG. OF MONTH	48,666	41,195	29,867	27,706	34,464	33,474	42,700	45,256	49,345	54,833	60,176	59,939	
PRIOR TRUE-UP COLLECT./(REFUND.)	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	-4,056	
END OF PERIOD TOTAL NET TRUE-UP	41,195	29,867	27,706	34,464	33,474	42,700	45,256	49,345	54,833	60,176	59,939	55,819	55,819

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2015 THROUGH DECEMBER 2015

	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	48,666	41,195	29,867	27,706	34,464	33,474	42,700	45,256	49,345	54,833	60,176	59,939	
END. T-UP BEFORE INT.	41,192	29,747	27,538	34,283	33,235	42,415	44,946	49,030	54,487	59,794	59,540	55,434	
TOT. BEG. & END. T-UP	89,858	70,943	57,405	61,989	67,698	75,890	87,646	94,287	103,832	114,628	119,716	115,373	
AVERAGE TRUE-UP	44,929	35,471	28,703	30,994	33,849	37,945	43,823	47,143	51,916	57,314	59,858	57,687	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.08%	0.09%	8.00%	6.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.09%	8.00%	6.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
TOTAL	0.17%	8.09%	14.00%	14.00%	17.00%	18.00%	17.00%	16.00%	16.00%	16.00%	16.00%	16.00%	
AVG INTEREST RATE	0.09%	4.05%	7.00%	7.00%	8.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	
MONTHLY AVG. RATE	0.01%	0.34%	0.58%	0.58%	0.71%	0.75%	0.71%	0.67%	0.67%	0.67%	0.67%	0.67%	
INTEREST PROVISION	\$3	\$120	\$167	\$181	\$240	\$285	\$310	\$314	\$346	\$382	\$399	\$385	\$3,132

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 2015 THROUGH DECEMBER 2016

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	4	8	11	14	22
JANUARY 2016 - DECEMBER 2016 (12 MTHS)	1	9	13	14	30

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2015 - DECEMBER 2016

JANUARY 15 - JULY 15	ACTUAL EXPENSES	13,700.00
AUGUST 15 - DECEMBER 15	ESTIMATED EXPENSES	7,000.00
JANUARY 2016 - DECEMBER 2016	ESTIMATED EXPENSES	24,750.00

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 2015 THROUGH DECEMBER 2016

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	12	5	7	18	23
JANUARY 2016 - DECEMBER 2016 (12 MTHS)	12	6	6	18	20

PROGRAM FISCAL EXPENSES FOR: JANUARY 2015 THROUGH DECEMBER 2016

JANUARY 15 - JULY 15	ACTUAL EXPENSES	19,800.00
AUGUST 15 - DECEMBER 15	ESTIMATED EXPENSES	10,000.00
JANUARY 2016 - DECEMBER 2016	ESTIMATED EXPENSES	28,350.00

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 2015 - DECEMBER 2016

	GAS WATER HEATING	GAS HEATING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2015 - DECEMBER 2015 (12 MTHS)	140	17	14	19	24
JANUARY 2016 - DECEMBER 2016 (12 MTHS)	145	19	17	25	19

PROGRAM FISCAL EXPENSES FOR: JANUARY 2015 THROUGH DECEMBER 2016

JANUARY 15 - JULY 15	ACTUAL EXPENSES	50,000.00
AUGUST 15 - DECEMBER 15	ESTIMATED EXPENSES	24,000.00
JANUARY 2016 - DECEMBER 2016	ESTIMATED EXPENSES	74,900.00

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.