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P. O. Box 549 / 301 Long Ave, Port St. Joe, FL 32457
Tel: 850.229.8216 / fax: 850.229.8392
www.stjoegas.com

August 22, 2017

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

Re: Docket No. 20170004-GU

Dear Ms. Stauffer:

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, **2018**.

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

Thank you for your assistance.

Very truly yours,

Debbie Stitt
Energy Conservation Analyst

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause)
_____)

Docket No. 20170004-GU
Submitted for filing
August 22, 2017

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, 2018 adjusted for the net true-up (which includes the estimated conservation true-up for the Twelve-month period ending December 31, 2017), 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 \$138,650 for the twelve-month period ending December 31, 2018. The estimated net true-up for the twelve months ending December 31, 2017 is an **under-recovery** of \$50,917. After increasing the projected conservation expenses by the amount of this **under-recovery**, a total of \$189,567 remains to be collected during the twelve months ending December 31, 2018. Dividing this total by the projected sales for the period by 1,288,387 therms, and expanding for taxes, results in the conservation adjustment factor of \$0.44277 per therm for RS-1, \$0.26916 per therm for RS-2, \$0.20359 per therm for RS-3, \$0.17729 per therm for GS-1, \$0.08111 per therm for GS-2, and \$0.03728 per therm for GS-4/FTS-4 respectively which **SJNG** seeks approval in this petition.

St. Joe Natural Gas Company, Inc.
Docket No. 20170004-GU
August 22, 2017
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, **2018** and to customer bills thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 22nd day of August 2017.

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.20170004-GU
Submitted for Filing
August 22, 2017

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 2017 and projection costs to be incurred from August 2017 through December 2017. It will also include projected conservation costs for the period January 1, 2018 through December 31, 2018 with a calculation of the conservation adjustment factors to be applied to the customers' bills during the January 1, 2018 through December 31, 2018 period.
- Q. Have you prepared any exhibits in conjunction with your testimony?
- A. Yes, I have prepared and filed to the Commission the 22nd day of August 2017 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, 2018 through December 31, 2018 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, 2018?

5 A. \$.44277 per therm for RS-1, \$.26916 per therm for RS-2, and
6 \$.20359 per therm for RS-3, \$0.17729 per therm for GS-1, \$0.08111
7 per therm for GS-2, and \$0.03728 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. 20170004-GU
Submitted for Filing
August 22, 2017

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 **22nd** day of **August 2017**.

Sebring Gas System, Inc.
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3515 U.S. Hwy 27 South
Sebring, Fl 33870
jmelendy@floridasbestgas.com

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Southern Company Gas
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Stephanie Cuello
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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2018 THROUGH DECEMBER 2018

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) 138,650
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) 50,917
3. TOTAL (LINE 1 AND LINE 2) 189,567

| 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 | 13,127 | 95,521 | 170,651 | 123,809 | 294,460 | 42,082 | 14.29134% | 0.44055 | 1.00503 | 0.44277 |
| RS-2 | 11,963 | 190,759 | 191,408 | 166,071 | 357,479 | 51,089 | 14.29134% | 0.26782 | 1.00503 | 0.26916 |
| RS-3 | 8,326 | 241,734 | 166,520 | 176,125 | 342,645 | 48,969 | 14.29134% | 0.20257 | 1.00503 | 0.20359 |
| GS-1 | 2,007 | 70,630 | 40,140 | 47,043 | 87,183 | 12,460 | 14.29134% | 0.17641 | 1.00503 | 0.17729 |
| GS-2 | 435 | 215,172 | 30,450 | 91,059 | 121,509 | 17,365 | 14.29134% | 0.08070 | 1.00503 | 0.08111 |
| FTS4/GS-4 | 24 | 474,571 | 48,000 | 75,172 | 123,172 | 17,603 | 14.29134% | 0.03709 | 1.00503 | 0.03728 |
| FTS-5 | 0 | 0 | 0 | 0 | 0 | 0 | 14.29134% | #DIV/0! | 1.00503 | #DIV/0! |
| TOTAL | 35,882 | 1,288,387 | 647,169 | 679,278 | 1,326,447 | 189,567 | | | | |

COMPANY: ST. JOE NATURAL GAS
EXHIBIT#DKS-2
DOCKET#20170004-GU

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2018 THROUGH DECEMBER 2018

| PROGRAM | CAPITAL INVEST | PYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|--------------------------------------|----------------|-------------------|---------------------|--------|------------|------------------|---------|-------|---------|
| 1 RESIDENTIAL NEW CONSTRUCTION | 0 | 0 | 0 | 0 | 34,500 | 0 | 0 | 0 | 34,500 |
| 2 RESIDENTIAL APPL. REPLACEMENT | 0 | 0 | 0 | 0 | 26,350 | 0 | 0 | 0 | 26,350 |
| 3 RESIDENTIAL APPL. RETENTION | 0 | 0 | 0 | 0 | 77,800 | 0 | 0 | 0 | 77,800 |
| 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 | 0 | 0 | 0 | 0 | 138,650 | 0 | 0 | 0 | 138,650 |

COMPANY: ST. JOE NATURAL GAS
EXHIBIT#DKS-2
DOCKET#20170004-GU

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2017 THROUGH DECEMBER 2017

| PROGRAM | CAPITAL INVEST | PYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---|----------------|-------------------|---------------------|--------|------------|------------------|---------|-------|---------|
| 1 RESIDENTIAL NEW CONSTRUCTION | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 16,300 | 0 | 0 | 0 | 16,300 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 12,000 | 0 | 0 | 0 | 12,000 |
| TOTAL | 0 | 0 | 0 | 0 | 28,300 | 0 | 0 | 0 | 28,300 |
| 2 RESIDENTIAL APPL. REPLACEMENT | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 15,450 | 0 | 0 | 0 | 15,450 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 7,600 | 0 | 0 | 0 | 7,600 |
| TOTAL | 0 | 0 | 0 | 0 | 23,050 | 0 | 0 | 0 | 23,050 |
| 3 RESIDENTIAL APPL. RETENTION | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 51,350 | 0 | 0 | 0 | 51,350 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 26,000 | 0 | 0 | 0 | 26,000 |
| TOTAL | 0 | 0 | 0 | 0 | 77,350 | 0 | 0 | 0 | 77,350 |
| 4 LARGE FOOD SERVICE COMMERCIAL | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 6,500 | 0 | 0 | 0 | 6,500 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 6,500 | 0 | 0 | 0 | 6,500 |
| 5 COMMERCIAL HOSPITALITY AND LODGING | | | | | | | | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 4,000 | 0 | 0 | 0 | 4,000 |
| B. ESTIMATED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 4,000 | 0 | 0 | 0 | 4,000 |
| 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 | 139,200 | 0 | 0 | 0 | 139,200 |

COMPANY: ST. JOE NATURAL GAS
EXHIBIT#DKS-2
DOCKET#20170004-GU

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2017 THROUGH DECEMBER 2017

| PROGRAM NAME | CAPITAL INVEST | PYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|----------------------------|----------------|-------------------|---------------------|--------|------------|------------------|---------|-------|---------|
| SUB-TOTAL - PREVIOUS PAGE | 0 | 0 | 0 | 0 | 139,200 | 0 | 0 | 0 | 139,200 |
| 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 | 0 | 0 | 0 | 0 | 139,200 | 0 | 0 | 0 | 139,200 |

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2017 THROUGH DECEMBER 2017

| PROGRAM NAME | JAN 2017 | FEB 2017 | MAR 2017 | APR 2017 | MAY 2017 | JUN 2017 | JUL 2017 | AUG 2017 | SEP 2017 | OCT 2017 | NOV 2017 | DEC 2017 | TOTAL |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|
| RESIDENTIAL NEW CONSTRUCTION | 3,600 | 550 | 150 | 2,600 | 1,650 | 3,750 | 0 | 4,000 | 3,000 | 3,000 | 3,000 | 3,000 | 28,300 |
| RESIDENTIAL APPL. REPLACEMENT | 1,550 | 3,600 | 2,600 | 1,900 | 2,975 | 925 | 0 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 23,050 |
| RESIDENTIAL APPL. RETENTION | 8,250 | 5,400 | 6,400 | 6,500 | 5,900 | 8,350 | 2,000 | 8,550 | 6,500 | 6,500 | 6,500 | 6,500 | 77,350 |
| LARGE FOOD SERVICE COMMERCIAL | 2,000 | 3,000 | 0 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 6,500 |
| COMMERCIAL HOSPITALITY AND LODGIN | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 | 0 | 4,000 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 15,400 | 14,550 | 9,150 | 11,000 | 10,525 | 13,025 | 2,000 | 17,950 | 11,400 | 11,400 | 11,400 | 11,400 | 139,200 |

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2017 THROUGH DECEMBER 2017

COMPANY: ST. JOE NATURAL GAS
EXHIBIT#DKS-2
DOCKET#20170004-GU

| | JAN 2017 | FEB 2017 | MAR 2017 | APR 2017 | MAY 2017 | JUN 2017 | JUL 2017 | AUG 2017 | SEP 2017 | OCT 2017 | NOV 2017 | DEC 2017 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| CONSERVATION REVS. | | | | | | | | | | | | | |
| RCS AUDIT FEES | | | | | | | | | | | | | |
| a. OTHER PROG. REV. | | | | | | | | | | | | | |
| b. | | | | | | | | | | | | | |
| c. | | | | | | | | | | | | | |
| CONSERV. ADJ REV. (NET OF REV. TAXES) | -23,173 | -17,011 | -15,784 | -17,254 | -10,833 | -9,811 | -11,387 | -8,609 | -9,725 | -8,326 | -10,702 | -16,265 | -158,879 |
| TOTAL REVENUES | -23,173 | -17,011 | -15,784 | -17,254 | -10,833 | -9,811 | -11,387 | -8,609 | -9,725 | -8,326 | -10,702 | -16,265 | -158,879 |
| PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 5,844 | 70,123 |
| CONSERVATION REVS. APPLIC. TO PERIOD | -17,329 | -11,167 | -9,941 | -11,411 | -4,989 | -3,967 | -5,544 | -2,765 | -3,881 | -2,483 | -4,859 | -10,421 | -88,756 |
| CONSERVATION EXPS. (FORM C-3, PAGE 3) | 15,400 | 14,550 | 9,150 | 11,000 | 10,525 | 13,025 | 2,000 | 17,950 | 11,400 | 11,400 | 11,400 | 11,400 | 139,200 |
| TRUE-UP THIS PERIOD | -1,929 | 3,383 | -791 | -411 | 5,536 | 9,058 | -3,544 | 15,185 | 7,519 | 8,917 | 6,541 | 979 | 50,444 |
| INTEREST THIS PERIOD (C-3, PAGE 5) | 34 | 32 | 34 | 34 | 33 | 36 | 37 | 41 | 46 | 48 | 50 | 48 | 473 |
| TRUE-UP & INT. BEG. OF MONTH | 70,123 | 62,385 | 59,956 | 53,355 | 47,135 | 46,861 | 50,111 | 40,761 | 50,143 | 51,865 | 54,986 | 55,734 | |
| PRIOR TRUE-UP COLLECT. (REFUND) | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | -5,844 | |
| END OF PERIOD TOTAL NET TRUE-UP | 62,385 | 59,956 | 53,355 | 47,135 | 46,861 | 50,111 | 40,761 | 50,143 | 51,865 | 54,986 | 55,734 | 50,917 | 50,917 |

ST JOE NATURAL GAS COMPANY, INC.
PROGRAM DESCRIPTION AND PROGRESS

DOCKET NO. 20170004-GU
ST JOE NATURAL GAS COMPANY
(DKS)

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.

APPLIANCE LOAD

ALLOWANCE

| | |
|-----------------------|-------------------|
| 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 2017 THROUGH DECEMBER 2018

| | JANUARY 2017 | DECEMBER 2017 (12 MTHS) | JANUARY 2018 | DECEMBER 2018 (12 MTHS) |
|-------------------|--------------|-------------------------|--------------|-------------------------|
| GAS WATER HEATING | 0 | 5 | 10 | 15 |
| GAS HEATING | 0 | 7 | 8 | 18 |
| GAS DRYER | | | | |
| GAS RANGE | | | | |
| GAS TANKLESS W/H | | | | 50 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2017 - DECEMBER 2018

| | | | |
|------------------------------|--------------------|-----------|-----------|
| JANUARY 17 - JULY 17 | ACTUAL EXPENSES | 12,300.00 | 28,300.00 |
| AUGUST 17 - DECEMBER 17 | ESTIMATED EXPENSES | 16,000.00 | |
| JANUARY 2018 - DECEMBER 2018 | ESTIMATED EXPENSES | 34,500.00 | |

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.

ST JOE NATURAL GAS COMPANY, INC.
PROGRAM DESCRIPTION AND PROGRESS

DOCKET NO. 20170004-GU
ST JOE NATURAL GAS COMPANY
(DKS)

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 2017 THROUGH DECEMBER 2018

| | GAS WATER HEATING | GAS HEATING | GAS DRYER | GAS RANGE | GAS TANKLESS W/H |
|--|-------------------|-------------|-----------|-----------|------------------|
| JANUARY 2017 - DECEMBER 2017 (12 MTHS) | 4 | 3 | 6 | 19 | 21 |
| JANUARY 2018 - DECEMBER 2018 (12 MTHS) | 4 | 3 | 6 | 22 | 25 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2017 THROUGH DECEMBER 2018

| | | | |
|------------------------------|--------------------|-----------|-----------|
| JANUARY 17 - JULY 17 | ACTUAL EXPENSES | 13,550.00 | 23,050.00 |
| AUGUST 17 - DECEMBER 17 | ESTIMATED EXPENSES | 9,500.00 | |
| JANUARY 2018 - DECEMBER 2018 | ESTIMATED EXPENSES | 26,350.00 | |

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 2017 - DECEMBER 2018

| | GAS WATER HEATING | GAS HEATING | GAS DRYER | GAS RANGE | GAS TANKLESS W/H |
|--|-------------------|-------------|-----------|-----------|------------------|
| JANUARY 2017 - DECEMBER 2017 (12 MTHS) | 138 | 18 | 17 | 24 | 29 |
| JANUARY 2018 - DECEMBER 2018 (12 MTHS) | 125 | 20 | 17 | 31 | 35 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2017 THROUGH DECEMBER 2018

| | | | |
|------------------------------|--------------------|-----------|-----------|
| JANUARY 17 - JULY 17 | ACTUAL EXPENSES | 42,800.00 | 77,350.00 |
| AUGUST 17 - DECEMBER 17 | ESTIMATED EXPENSES | 34,550.00 | |
| JANUARY 2018 - DECEMBER 2018 | ESTIMATED EXPENSES | 77,800.00 | |

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.

ST JOE NATURAL GAS COMPANY, INC.
PROGRAM DESCRIPTION AND PROGRESS

DOCKET NO. 20170004-GU
ST JOE NATURAL GAS COMPANY
(DKS)

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 | \$1,500.00 |
| GAS TANKLESS W/HEATER | \$2,000.00 |
| | <u>\$8,000.00</u> |

PROGRAM PROJECTIONS FOR:

JANUARY 2017 - DECEMBER 2018

| | <u>WATER</u> | <u>FRYER</u> | <u>RANGE</u> | <u>TANKLESS W/H</u> |
|--|--------------|--------------|--------------|---------------------|
| JANUARY 2017 - DECEMBER 2017 (12 MTHS) | 0 | 0 | 3 | 1 |
| JANUARY 2018 - DECEMBER 2018 (12 MTHS) | 0 | 0 | 0 | 0 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2017 THROUGH DECEMBER 2018

| | | | |
|------------------------------|--------------------|----------|----------|
| JANUARY 17 - JULY 17 | ACTUAL EXPENSES | 5,000.00 | 6,500.00 |
| AUGUST 17 - DECEMBER 17 | ESTIMATED EXPENSES | 1,500.00 | |
| JANUARY 2018 - DECEMBER 2018 | ESTIMATED EXPENSES | 0.00 | |

PROGRAM PROGRESS SUMMARY:

Since inception, only 11 (eleven) appliances have qualified for this program.

ST JOE NATURAL GAS COMPANY, INC.
PROGRAM DESCRIPTION AND PROGRESS

DOCKET NO. 20170004-GU
ST JOE NATURAL GAS COMPANY
(DKS)

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 2017 THROUGH DECEMBER 2018

| | <u>WATER</u> | <u>FRYER</u> | <u>RANGE</u> | <u>TANKLESS W/H</u> | <u>DRYER</u> |
|--|--------------|--------------|--------------|---------------------|--------------|
| JANUARY 2017 - DECEMBER 2017 (12 MTHS) | 0 | 0 | 0 | 2 | 0 |
| JANUARY 2018 - DECEMBER 2018 (12 MTHS) | 0 | 0 | 0 | 0 | 0 |

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2017 THROUGH DECEMBER 2018

| | | | |
|------------------------------|--------------------|----------|----------|
| JANUARY 17 - JULY 17 | ACTUAL EXPENSES | 4,000.00 | 4,000.00 |
| AUGUST 17 - DECEMBER 17 | ESTIMATED EXPENSES | 0.00 | |
| JANUARY 2018 - DECEMBER 2018 | ESTIMATED EXPENSES | 0.00 | |

PROGRAM PROGRESS SUMMARY:

Since inception, only three (3) appliance have qualified for this program.