

1 APPEARANCES:

2 BETH KEATING and GREGORY M. MUNSON, ESQUIRES,
3 Gunster, Yoakley & Stewart, P.A., 215 South Monroe
4 Street, Suite 601, Tallahassee, Florida 32301-1839; and
5 CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe Boulevard,
6 Juno Beach, Florida 33408, appearing on behalf of
7 Florida City Gas.

8 BETH KEATING, ESQUIRE, Gunster, Yoakley &
9 Stewart, P.A., 215 South Monroe Street, Suite 601,
10 Tallahassee, Florida 32301-1839, appearing on behalf of
11 Florida Public Company, Florida Public Utilities Company
12 - Fort Meade, Florida Public Utilities Company -
13 Indiantown Division, Florida Division of Chesapeake
14 Utilities Corporation, and Sebring Gas System.

15 ANDREW M. BROWN, ESQUIRE, Macfarlane Ferguson
16 & McMullen, Post Office Box 1531, Tampa, Florida
17 33601-1531, appearing on behalf of Peoples Gas System.

18 STUART SHOAF, ESQUIRE, Post Office Box 549,
19 Port St. Joe, Florida 32457-0549, appearing on behalf of
20 St. Joe Natural Gas Company, Inc.

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1 APPEARANCES (CONTINUED):

2 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,
3 DEPUTY PUBLIC COUNSEL; and A. MIREILLE FALL-FRY,
4 ESQUIRES, Office of Public Counsel, c/o The Florida
5 Legislature, 111 W. Madison Street, Room 812,
6 Tallahassee, Florida 32399-1400, appearing on behalf of
7 the Citizens of the State of Florida.

8 GABRIELLA PASSIDOMO, ESQUIRE, FPSC General
9 Counsel's Office, 2540 Shumard Oak Boulevard,
10 Tallahassee, Florida 32399-0850, appearing on behalf of
11 the Florida Public Service Commission Staff.

12 KEITH C. HETRICK, GENERAL COUNSEL; MARY ANNE
13 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
14 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
15 Florida 32399-0850, Advisor to the Florida Public
16 Service Commission.

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I N D E X
WITNESSES

NAME :	PAGE
MIGUEL BUSTOS	
Prefiled direct testimony inserted	16
CURTIS YOUNG	
Prefiled direct testimony inserted	30
G. SCOTT RANCK	
Prefiled direct testimony inserted	33
KAREN L. BRAMLEY	
Prefiled direct testimony inserted	39
JERRY H. MELENDY	
Prefiled direct testimony inserted	51
DEBBIE STITT	
Prefiled direct testimony inserted	58

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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	62	62
2-23	As identified in the CEL	62	63

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Good morning
3 again. We are going to call the November 3rd
4 clause docket hearing to order.

5 I would ask staff, if they would, please read
6 the notice.

7 MS. WEISENFELD: By notice issued on October
8 7th, 2020, this time and place has been set for
9 hearings in Docket Nos. 20200001-EI, 20200002-EG,
10 20200003-GU, 20200004-GU and 20200007-EI. The
11 purpose of these hearings is set out more fully in
12 the notice.

13 CHAIRMAN CLARK: All right. Thank you, Ms.
14 Weisenfeld.

15 Let me just give kind of a quick overview of
16 what I think -- how I think things are going to go
17 today.

18 We had scheduled this for today, tomorrow and
19 Thursday. It looks like we are going to be able to
20 consolidate things pretty rapidly. We are not
21 going to try to rush anything through, but my plan
22 this morning is to get through the first -- the 02,
23 03, 04 and 07 dockets even prior to lunch today.

24 If the timing hits us right, we are going to
25 take a lunch break at 12 o'clock. We are going to

1 probably take about 45 minutes for lunch. Those of
2 you that are sitting at your kitchen table, it
3 should not be too difficult for you to grab a quick
4 sandwich, but the rest of us have got to go out and
5 scrape something up. So we are going to probably
6 take about 45 minutes for lunch. Then we will come
7 back, and if we don't get to the 01 prior to lunch,
8 we will take it up immediately after.

9 My anticipation, based on the number of
10 witnesses and what we have seen so far, is that we
11 are going to try to finish it up today. If it
12 doesn't look like it's going to push much past 5:00
13 p.m., we will stay and wrap everything up today.
14 If it does look like it's going to go quite a bit
15 further, then we certainly have tomorrow scheduled,
16 and we will reconvene tomorrow morning. Maybe we
17 can make a little bit better call on that issue
18 somewhere around 3:30 or four o'clock this
19 afternoon.

20 So with that said, we are going to take
21 appearances with all of the dockets to begin with.

22 Ms. Weisenfeld.

23 MS. WEISENFELD: There are five dockets to
24 address today. We suggest that all appearances be
25 taken at once.

1 All parties should enter their appearances and
2 declare the dockets that they are entering an
3 appearance for. Several parties will make
4 appearances, and after the parties make their
5 appearances, staff will need to make theirs.

6 CHAIRMAN CLARK: All right. Thank you.

7 All right. So we are going to take
8 appearances beginning with Florida Power & Light.
9 If you would, please state the docket that you are
10 going to be appearing in when you give your
11 appearance, please.

12 FPL.

13 MS. MONCADA: Good morning, Mr. Chairman. Can
14 you hear me?

15 CHAIRMAN CLARK: Yes, we can hear you.

16 MS. MONCADA: Wonderful.

17 Maria Moncada on behalf of Florida Power &
18 Light Company in the 01, 02 and 07 dockets. In
19 each of those dockets, I would like to also enter
20 an appearance for our general counsel, Wade
21 Litchfield. In the 01 and 07 dockets, I will also
22 enter an appearance for David Lee, and in the 02
23 docket, for Joel Baker.

24 Mr. Chairman, I am also here today on behalf
25 of Gulf Power Company in the 01 and the 07 dockets.

1 And in those two dockets, I would like to also
2 enter an appearance for Russell Badders.

3 Thank you.

4 CHAIRMAN CLARK: All right. Any other -- any
5 other appearances for Gulf Power?

6 MR. GRIFFIN: Yes, Mr. Chairman. Thank you.
7 Good morning, Commissioners.

8 This is Steven Griffin with the Beggs & Lane
9 law firm in Pensacola. I will be entering an
10 appearance for Gulf Power Company in the 02 docket,
11 and would also like to enter an appearance for
12 Russell Badders with Gulf Power Company in the 02
13 docket as well.

14 Thank you.

15 CHAIRMAN CLARK: All right. Thank you very
16 much.

17 Duke Energy, Mr. Bernier.

18 MR. BERNIER: Good morning, Mr. Chairman,
19 Commissioners. Matt Bernier from Duke Energy. I
20 will be appearing in the 01, 02 and 07 dockets. I
21 would also like to enter an appearance for Dianne
22 Triplett in the same dockets.

23 Thank you.

24 CHAIRMAN CLARK: Thank you very much.

25 TECO.

1 MR. MEANS: Good morning, Mr. Chairman,
2 Commissioners. This is Malcolm Means with the
3 Ausley McMullen law firm in Tallahassee. I would
4 also like to enter appearances for Jim Beasley and
5 Jeff Wahlen with the Ausley McMullen law firm. We
6 are appearing on behalf of Tampa Electric in the
7 02, 07 and 01 dockets.

8 Thank you.

9 CHAIRMAN CLARK: Thank you very much.
10 Florida Public Utilities, Ms. Keating.

11 MS. KEATING: Good morning, Mr. Chairman,
12 Commissioners. Beth Keating with the Gunster Law
13 Firm appearing today on behalf of FPUC in the 01,
14 02, 03 and 04 dockets. I will also be making an
15 appearance for Chesapeake and Sebring in the 04
16 docket, and I will also be appearing for Florida
17 City Gas in the 03 and 04 dockets. And in those
18 dockets, I would like to also enter appearance for
19 Greg Munson with the Gunster Law Firm, as well as
20 Chris Wright with FPL.

21 CHAIRMAN CLARK: All right. Thank you very
22 much.

23 That takes care of Florida City Gas and
24 Sebring Gas. Anybody else under those two?

25 All right moving to Peoples Gas.

1 MR. BROWN: Thank you, Mr. Chairman, Andy
2 Brown of the law firm of Macfarlane Ferguson &
3 McMullen. I am appearing on behalf of Peoples Gas
4 in the 03 and 04 dockets.

5 CHAIRMAN CLARK: All right. St. Joe Natural
6 Gas Company. They were requested to be excused?
7 Okay.

8 MS. WEISENFELD: They should be on the line.
9 They should be on the line. St. Joe should be on
10 the line, Mr. Chairman.

11 CHAIRMAN CLARK: Okay. Is there anyone from
12 St. Joe? Anyone from St. Joe? Stuart Shoaf?

13 All right. Move right along to the Office of
14 Public Counsel.

15 MS. FALL-FRY: Good morning. A. Mireille
16 Fall-Fry. I will be appearing for the Office of
17 Public Counsel in the 02, 03, 04 and 07 dockets,
18 and also would like to enter an appearance for
19 Charles Rehwinkel and Stephanie Morse in the 01
20 docket, and J.R. Kelly in all of the dockets.

21 CHAIRMAN CLARK: All right. Thank you, Ms.
22 Fall-Fry.

23 FIPUG.

24 MS. PUTNAL: Good morning, Mr. Chairman,
25 Commissioners. Karen Putnal with the Moyle Law

1 Firm appearing on behalf of Florida Industrial
2 Power Users Group in the 01, 02 and 07 dockets.
3 And I would also like to enter an appearance for
4 Jon Moyle in all three.

5 CHAIRMAN CLARK: All right. Thank you, Ms.
6 Putnal.

7 PCS Phosphate.

8 MR. BREW: Good morning, Chairman and
9 Commissioners. For White Springs Agricultural
10 Chemicals, PCS Phosphate, with the law firm of
11 Stone Mattheis Xenopoulos & Brew, in the 01, 02 and
12 07 dockets, I am James Brew, and I would like to
13 note the appearance of Laura Baker and as well.

14 CHAIRMAN CLARK: All right. Great. Thank you
15 very much, Mr. Brew.

16 Commission staff.

17 MS. WEISENFELD: Ashley Weisenfeld in the 02
18 docket. I would also like to enter appearances for
19 Kurt Schrader in the 03, Gabriella Passidomo in the
20 04, Charles Murphy in the 07 and Suzanne Brownless
21 in the 01.

22 MS. HELTON: And finally, Mr. Chairman, Mary
23 Anne Helton is here as your Advisor today, as well
24 as for the other Commissioners, along with your
25 General Counsel, Keith Hetrick.

1 CHAIRMAN CLARK: Thank you, Ms. Helton.

2 Okay, let's move to preliminary matters, Ms.
3 Weisenfeld.

4 MS. WEISENFELD: State buildings are currently
5 closed to the public, and other restrictions on
6 gatherings remain in place due to COVID-19.
7 Accordingly, this hearing is being conducted
8 remotely with the parties participating by
9 communications media technology.

10 Members of the public who want to observe or
11 listen to this hearing may do so by accessing the
12 live video broadcast which is available from the
13 Commission website. Upon completion of the
14 hearing, the archived video will also be available.

15 Each person participating today needs to keep
16 their phone or device muted when they are not
17 speaking, and only unmute when they are called upon
18 to speak. If they do not keep their phone muted,
19 or put their phone on hold, they may be
20 disconnected from the proceeding and will need to
21 call back in.

22 Also, telephonic participants should speak
23 directly into their phone and not use their speaker
24 function.

25 CHAIRMAN CLARK: All right. Thank you, Ms.

1 Weisenfeld.

2 All right. The order of the dockets we are
3 going to take up today, we are going to begin with
4 the 02 docket, the 03, the 04 and the 07, and then
5 we will conclude the day with the 01 docket.

6 (Whereupon, other matters were held before the
7 Commission, and Docket No. 20200004-EI proceedings are
8 as follows:)

9 CHAIRMAN CLARK: We will move now into the 04
10 docket. Just a second give us just a second to get
11 reorganized.

12 All right, Ms. Passidomo, any preliminary
13 matters?

14 MS. PASSIDOMO: Staff will note that all
15 witnesses have been excused.

16 There are proposed Type 2 stipulations on all
17 issues -- (inaudible) -- taking no position on all
18 issues.

19 Staff will also note that the parties have
20 waived opening statements.

21 CHAIRMAN CLARK: All right. Prefiled
22 testimony.

23 (Discussion off the record.)

24 CHAIRMAN CLARK: Let's try it again, Ms.
25 Passidomo.

1 MS. PASSIDOMO: Okay. Staff will note that
2 all witnesses have been excused.

3 There are proposed Type 2 stipulations on all
4 issues, with OPC taking no position on all issues.

5 Staff will also note that the parties have
6 waived opening statements.

7 CHAIRMAN CLARK: All right. Then let's move
8 straight to prefiled testimony.

9 MS. PASSIDOMO: Staff will ask that the
10 prefiled testimony of all witnesses identified in
11 Section VI of the prehearing order on page four be
12 inserted into the record as though read.

13 CHAIRMAN CLARK: All right. So inserted.

14 (Whereupon, prefiled direct testimony of
15 Miguel Bustos was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA CITY GAS

DIRECT TESTIMONY OF MIGUEL BUSTOS

(2019 Final True-Up)

DOCKET NO. 20200004-GU

May 4, 2020

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

2 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue, Doral,
3 Florida 33178.

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

5 A. I am employed by Florida City Gas ("FCG" or "Company") as Manager of
6 Governmental & Community Affairs. I have been with the Company for
7 approximately 17 years.

8 **Q. What are your responsibilities as Manager of Governmental & Community
9 Affairs?**

10 A. I am responsible for managing FCG's Purchased Gas Adjustment clause, the
11 overall strategic design and management of the Company's energy efficiency
12 programs, as well as development of strategies of new business channels and
13 emerging technologies. I am also responsible for providing direction and
14 oversight for the Company's implementation of governmental and community
15 affairs. I have held these responsibilities since 2013.

16 **Q. Please describe your prior work experience and responsibilities.**

17 A. I began my career at FCG in 2003. I progressed through roles in operations,
18 budgeting, accounting and business operations. Prior to joining FCG, I was a
19 corporate lead auditor in PricewaterhouseCoopers.

20 **Q. What is your educational background?**

21 A. I have a Bachelor of Science Degree in Accounting from the National Polytechnic
22 Institute (Mexico City) and completed MBA coursework from the University of
23 Americas.

- 1 **Q. Please explain the purpose of your testimony.**
- 2 A. The purpose of my testimony is to present FCG's final Natural Gas Conservation
3 Cost Recovery ("NGCCR") true-up amount for the period of January 1, 2019
4 through December 31, 2019.
- 5 **Q. Has the Company prepared the schedules prescribed by this Commission
6 for this purpose?**
- 7 A. Yes. Attached to my testimony as Exhibit MB-1 are Schedules CT-1, CT-2, CT-3,
8 and CT-6 supplied by the Commission Staff. These schedules provide the
9 information and data required by Rule 25-17.015, Florida Administrative Code
10 ("F.A.C.").
- 11 **Q. Are you familiar with FCG's energy conservation programs?**
- 12 A. Yes. A description of each program is provided in Exhibit MB-1, Schedule CT-6.
- 13 **Q. What are the total actual costs incurred by FCG for its energy conservation
14 programs during the period January 1, 2019 through December 31, 2019?**
- 15 A. The total actual costs incurred by FCG for its energy conservation programs,
16 including common costs, during this period was \$5,564,237 as shown in Exhibit
17 MB-1, Schedule CT-2, Page 2 of 4. The costs incurred for each energy
18 conservation program are provided in Exhibit MB-1, Schedule CT-6.
- 19 **Q. What was the total amount of revenues recovered through the NGCCR
20 during the period of January 1, 2019 through December 31, 2019?**
- 21 A. The Company recovered a total amount of \$5,328,703 through the NGCCR as
22 shown on Line 6 of FCG Exhibit MB-1, Schedule CT-3, Page 4 of 5.

1 **Q. What is the Company's actual end of period over/under recovery amount for**
2 **the period of January 1, 2019 through December 31, 2019?**

3 A. The actual over/under recovery amount for this period is an under-recovery of
4 \$234,610 as shown on Lines 8+9 of Exhibit MB-1, Schedule CT-3, Page 4 of 5.

5 **Q. Can you explain how you calculated that amount?**

6 A. Yes. As shown on Exhibit MB-1, Schedule CT-3, Page 4 of 5, total energy
7 conservation costs incurred for the period were \$5,564,237 (Line 7) and the total
8 revenues recovered through the NGCCR for the period were \$5,328,703 (Line 6),
9 which results in an under-recovery of \$235,533 (Line 8). As calculated on Exhibit
10 MB-1, Schedule CT-3, Page 5 of 5, the interest on this under-recovery is (\$923).
11 The sum of these amounts is an under-recovery of \$234,610 for the period of
12 January 1, 2019 through December 31, 2019 (Lines 8+9).

13 **Q. Did you also provide a comparison of the actual over/under recovery and the**
14 **projected over/under recovery reported in the Company's actual/estimated**
15 **filing for the period January 1, 2019 through December 31, 2019 as required**
16 **by Rule 25-17.015(1)(a), F.A.C.?**

17 A. Yes. A summary of this comparison is provided in Exhibit MB-1, Schedule CT-2,
18 Page 1 of 4. Based on six months of actual data and six months of projected data,
19 FCG projected an end of period over-recovery amount for 2019 of \$219,867 as
20 compared to an actual under-recovery of \$234,610 (based on 12 months of actual
21 data). This results in a net under-recovery amount of \$454,477 for the period
22 January 1, 2019 through December 31, 2019. This amount is calculated on
23 Exhibit MB-1, Schedule CT-1.

1 **Q. What true-up amount for the period January through December 2019 should**
2 **be included in the Company's NGCCR Factor for the period of January 1,**
3 **2021 through December 31, 2021 ("2021 NGCCR Factor")?**

4 A. The final net true-up for 2019 that should be included in the Company's 2021
5 NGCCR Factor is the under-recovery amount of \$454,477.

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

7 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA CITY GAS

DIRECT TESTIMONY OF MIGUEL BUSTOS

(2021 Natural Gas Conservation Cost Recovery Factors)

DOCKET NO. 20200004-GU

August 7, 2020

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

2 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue, Doral,
3 Florida 33178.

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

5 A. I am employed by Florida City Gas ("FCG" or "Company") as Manager of
6 Governmental & Community Affairs. I have been with the Company for
7 approximately 17 years.

8 **Q. What are your responsibilities as Manager of Governmental & Community
9 Affairs?**

10 A. I am responsible for managing FCG's Purchased Gas Adjustment clause, the
11 overall strategic design and management of the Company's energy efficiency
12 programs, as well as development of strategies of new business channels and
13 emerging technologies. I am also responsible for providing direction and
14 oversight for the Company's implementation of governmental and community
15 affairs. I have held these responsibilities since 2013.

16 **Q. Please describe your prior work experience and responsibilities.**

17 A. I began my career at FCG in 2003. I progressed through roles in operations,
18 budgeting, accounting and business operations. Prior to joining FCG, I was a
19 corporate lead auditor in PricewaterhouseCoopers.

20 **Q. What is your educational background?**

21 A. I have a Bachelor of Science Degree in Accounting from the National Polytechnic
22 Institute (Mexico City) and completed MBA coursework from the University of
23 Americas.

1 **Q. Please explain the purpose of your testimony.**

2 A. I am submitting this testimony in support of FCG's request for Commission
3 approval of the Natural Gas Conservation Cost Recovery ("NGCCR") Factors to be
4 applied to the bills issued during the period of January 1, 2021 through December
5 31, 2021 (the "Projection Period"). My testimony will present the revised projected
6 true-up for the current period January 1, 2020 through December 31, 2020 based
7 on actual data for six months and projected data for six months (the
8 "Actual/Estimated True-Up"). I will then present the development of the proposed
9 NGCCR Factors to be charged during the Projection Period.

10 **Q. Has the Company prepared the schedules prescribed by this Commission**
11 **for this purpose?**

12 A. Yes. Attached to my testimony as Exhibit MB-2 are Schedules C-1 through C-5,
13 which are the forms prescribed by Commission Staff. These schedules provide
14 the information and data required by Rule 25-17.015, Florida Administrative Code
15 ("F.A.C."), and are used to calculate FCG's Actual/Estimated True-Up for the
16 current period and the proposed NGCCR Factors for the Projection Period.

17 **Q. Are you familiar with FCG's energy conservation programs?**

18 A. Yes. A description of each program is provided in Exhibit MB-2, Schedule C-5.

19 **Q. Is FCG proposing any new or modified energy conservation programs for**
20 **NGCCR cost recovery during the Projection Period?**

21 A. No.

22 **Q. What are FCG's total projected energy conservation program costs for the**
23 **Projection Period?**

1 A. The total projected cost for the period January 2021 through December 2021 is
2 \$6,540,349 as shown on Schedule C-1. This represents the projected costs of
3 \$5,790,680 to be incurred during the Projection Period as shown on page 1 of
4 Schedule C-2, plus the estimated net true-up under-recovery of \$749,669 for
5 2020 as shown on page 4 of Schedule C-3.

6 **Q Please explain how the estimated true-up was calculated.**

7 A. The calculation of the estimated net true-up amount to be included in the 2021
8 NGCCR Factors is provided in Schedule C-3, page 4.

9
10 I previously submitted direct testimony and Exhibit MB-1 in support of the final
11 NGCCR true-up amount for the period January 2019 through December 2019. As
12 shown therein, the actual over/under recovery amount for the period January 2019
13 through December 2019, inclusive of interest, was an under-recovery of \$234,610.
14 Included in the NGCCR Factors for the current period January 2020 through
15 December 2020 was an estimated under-recovery of \$151,570. Thus, the final
16 NGCCR true-up amount for the period January 2019 through December 2019, net
17 of interest, adjustments and the estimated under-recovery included in the 2020
18 NGCCR Factors, was an under-recovery of \$454,477.

19
20 The Actual/Estimated True-Up amount for the current period January 2020 through
21 December 2020, based on six months actual data and six months projected data,
22 is an under-recovery of \$291,790 (Schedule C-3, page 4, line 8). The interest on
23 this under-recovery is \$3,402 (Schedule C-3, page 5).

1 The total estimated net true-up to be included in the 2021 NGCCR Factors,
 2 inclusive of the final true-up for 2019, the Actual/Estimated True-Up, and interest,
 3 is an under-recovery of \$749,669 (Schedule C-3, page 4, line 12). This estimated
 4 true-up amount is included in the total \$6,540,349 of energy conservation
 5 program costs projected for the period January 2021 through December 2021 as
 6 shown on Schedule C-1.

7 **Q. What are the NGCCR Factors that FCG is proposing to recover the total**
 8 **projected energy conservation program costs during the Projection Period?**

9 A. Utilizing the rate design and cost allocation methodology approved by the
 10 Commission, FCG proposes the following 2021 NGCCR Factors:

11	RS-1	\$0.26401
12	RS-100	\$0.14211
13	RS-600	\$0.08400
14	GS-1	\$0.05728
15	GS-6K	\$0.04197
16	GS-25K	\$0.04136
17	Gas Lights	\$0.06523
18	GS-120K	\$0.02629
19	GS-1250K	\$0.01863
20	GS-11M – GS-25M	\$0.01094

21 Exhibit MB-2, Schedule C-1, page 1 contains the Commission prescribed form that
 22 details these NGCCR Factors proposed for the period January 1, 2021 through
 23 December 31, 2021.

1 **Q. As part of this filing, is FCG proposing any changes to the rate classes that**
2 **will be charged the NGCCR for the projection period?**

3 A. Yes. Beginning January 1, 2021, FCG is proposing that the energy conservation
4 program costs projected for the period January 2021 through December 2021
5 also be recovered from the GS-1250k and GS11M - GS25M rate classes.
6 Previously, these rate classes have not been charged a NGCCR Factor because
7 the Company's energy conservation programs were not available to these rate
8 classes and/or these rate classes did not subscribe to any such programs in the
9 past. FCG has over the course of the last two years increased its technical
10 support of its industrial customers. This includes energy efficiency technology
11 guidance and energy conservation program solutions, cost benefit analysis and
12 on-site visits. This activity is designed to increase the Company's knowledge of
13 the customer's energy needs and potential natural gas solutions that improve the
14 cost effective use of natural gas.

15
16 Due to the increased industrial focus coupled with the fact that there are
17 numerous new industrial businesses relocating to Florida, the need to provide
18 added support is apparent. Additionally, FCG maintains very close contact with
19 its commercial and industrial customer base by rendering comprehensive
20 services. Apart from evaluating and processing Energy Conservation Appliance
21 Rebate applications, the Company focuses on providing Key Account Services.
22 These services include providing energy use and cost analysis followed by
23 recommendations to commercial and industrial customers as to how natural gas

1 may provide solutions that meet their energy efficiency and cost savings needs.
2 FCG performs regular site visits, maintains phone contact with facility and energy
3 managers, to include many third-party vendors who provide energy services to
4 large commercial and industrial customers.

5
6 FCG does not differentiate between the level of service it provides to industrial
7 customers that are currently being assessed the NGCCR factor and those who
8 are not. All industrial customers are eligible to participate in the Commercial
9 Rebate Programs and receive comprehensive energy conservation support.
10 Recently there has been more and more industrial customers expressing interest
11 in converting from non-natural gas energy sources to natural gas specifically the
12 desire to incorporate combined heat-power or large HVAC systems to offset
13 electric peak load. FCG intends to meet those market demands and requests for
14 support.

15
16 As a result, FCG proposes to implement the NGCCR Factors shown in the table
17 above for these rate classes, which is consistent with FCG's cost allocation
18 methodology approved by the Commission. This will help avoid cross
19 subsidization by other rate classes and reduce the potential for free riders that
20 benefit from but do not pay for the applicable energy conservation programs.
21 With the increased support and the opportunity for larger industrial customers to
22 participate in the Company's commercial rebate programs, it is the Company's
23 position that the NGCCR Factor should apply to all rates under the industrial
24 class.

1

2 Currently, there are a total of seven FCG customers in Rate Classes GS-1250K,
3 GS-11M, and GS-25M. Upon filing FCG's petition, key account managers for each
4 of these customers will directly contact the customers to notify them of FCG's
5 proposal to implement NGCCR factors for these rate classes beginning in 2021.

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

7 **A. Yes.**

1 (Whereupon, prefiled direct testimony of
2 Curtis Young was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20200004-GU

NATURAL GAS CONSERVATION COST RECOVERY CLAUSE

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

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 1635 Meathe Drive, West Palm Beach, Florida
3 33411.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Senior Regulatory Analyst.
- 6 Q. What is the purpose of your testimony at this time?
- 7 A. To advise the Commission of the actual over/under recovery of the Conservation costs
8 for the period January 1, 2019 through December 31, 2019 as compared to the amount
9 previously reported for that period which was based on Six months actual and Six months
10 estimated data.
- 11 Q. Please state the actual amount of over/under recovery of Conservation Program costs for
12 the gas divisions of Florida Public Utilities Company and the Florida Division of
13 Chesapeake Utilities Corporation for January 1, 2019 through December 31, 2019.
- 14 A. The Company under-recovered \$ 193,938 during that period. This amount is
15 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
16 Provision.
- 17 Q. How does this amount compare with the estimated true-up amount which was allowed by
18 the Commission?

1 A. We had estimated that we would under-recover \$96,411 as of December 31, 2019.

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

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

5 Q. Does this conclude your testimony?

6 A. Yes.

1 (Whereupon, prefiled direct testimony of G.
2 Scott Ranck was inserted.)

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DOCKET NO. 20200004-GU: Natural Gas Conservation Cost Recovery
3 Direct Testimony of G. Scott Ranck (Projection)
4 On Behalf of
5 FLORIDA PUBLIC UTILITIES CONSOLIDATED GAS COMPANIES
6

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

8 A. G. Scott Ranck. My business address is 331 W. Central Ave. Suite 200,
9 Winter Haven, Florida 33880.

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

11 A. I am employed by Florida Public Utilities Company (FPUC) as the Energy
12 Conservation Manager.

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

15 A. I began my career in residential construction building houses in Pennsylvania
16 and North Carolina. I then pursued my Bachelor's Degree in Theology
17 (Summa Cum Laude) from Piedmont International University, Winston-
18 Salem, NC. In 2006, I went back to my construction roots as an employee of
19 FPUC in the natural gas conservation department. I became a Residential
20 Energy Services Network (RESNET) Home Energy Rating System (HERS)
21 Rater in February of 2009. I was subsequently promoted to Senior Energy
22 Conservation Specialist with FPUC in January of 2012. In this role, I was
23 responsible for implementing the Company's natural gas energy conservation
24 program and also assisted with the implementation of FPUC's Electric
25 Demand-Side Management (DSM) Program. Furthering my pursuit of
26 additional training in building science, energy and related topics, I received

1 certification as a Certified Energy Auditor (CEA) on January 25, 2011, as well
2 as certification as a Certified Energy Manager (CEM) in April 2013. Both
3 credentials are through the Association of Energy Engineers. I was also
4 appointed to the Energy Technical Advisory Committee for the Florida
5 Building Commission in December of 2016. I am the Energy Conservation
6 Manager with FPUC. In my role, I oversee both natural gas and electric
7 energy conservation programs for the Company.

8

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

10 A. To describe generally the expenditures made and projected to be made in
11 implementing, promoting, and operating the Company's energy conservation
12 programs. This will include recoverable costs incurred in January through
13 June 2020 and projections of program costs to be incurred July through
14 December 2020. It will also include projected conservation costs, for the
15 period January through December 2021, with a calculation of the Energy
16 Conservation Cost Recovery Adjustment and Energy Conservation Cost
17 Recovery Adjustment (Experimental) factors to be applied to the customers'
18 bills during the collection period of January 1, 2021 through December 31,
19 2021.

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

21 A. Yes. I am sponsoring Exhibit GSR-1, which consists of Schedules C-1, C-2,
22 C-3, and C-5, which have been filed with this testimony.

23 **Q. Have there been any changes in the Conservation filing compared to the
24 prior year?**

25 A. As done in the 2020 projections, the Company has consolidated the natural
26 gas conservation programs and costs for the 2021 projection period. The

1 schedules were prepared this period using consolidated costs and revenues for
2 Florida Public Utilities Gas Division (FPUC), the Florida Division of
3 Chesapeake Utilities, the FPUC Ft. Meade Division, and the FPUC
4 Indiantown Division. The Company did not project any expenses for its
5 Conservation, Demonstration and Development program because it ended on
6 December 31, 2017.

7 **Q. Has the Company included descriptions and summary information on the**
8 **Conservation Programs currently approved and available to your**
9 **customers for Florida Public Utilities Company?**

10 A. Yes, the Company has included summaries of the approved conservation
11 programs currently available to our customers in all divisions in C-5 of
12 Exhibit GSR-1.

13 **Q. Has the Company prepared summaries of its Conservation Programs and**
14 **the Costs associated with these Programs?**

15 A. Yes, the Company has prepared the summaries of the Company's
16 Conservation Programs and costs associated with these programs in C-5 of
17 Exhibit GSR-1.

18 **Q. What are the total projected costs for the period January 2021 through**
19 **December 2021 in the Florida Division of Chesapeake Utilities**
20 **Corporation?**

21 A. The total projected Consolidated Conservation Program Costs are \$4,799,700.
22 Please see Schedule C-2, page 2, for the programmatic and functional
23 breakdown of these total costs.

24 **Q. What is the true-up for the period January 2020 through December**
25 **2020?**

26 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the

1 Consolidated Natural Gas Divisions is an over-recovery of \$808,125.

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

4 A. The total costs to be recovered are \$3,991,575.

5 **Q. Has the Company prepared a schedule that shows the calculation of its**
6 **proposed Energy Conservation Cost Recovery Adjustment factors to be**
7 **applied during billing periods from January 1, 2021 through December**
8 **31, 2021?**

9 A. Yes. Schedule C-1 of Exhibit GSR-1 shows these calculations. Net program
10 cost estimates for the period January 1, 2021 through December 31, 2021 are
11 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of
12 Exhibit GSR-1, being an over-recovery, was subtracted from the total of the
13 projected costs for the 12-month period. The total amount was then divided
14 among the Company's rate classes, excluding customers who are on market-
15 based rates that fall under Special Contract Services (Original Sheet No. 19
16 for the Florida Division of Chesapeake Utilities) and tariff rate class FTS-13
17 for the same division, based on total projected contribution. In addition, the
18 customer classes for Outdoor Lights, Interruptible and Interruptible
19 Transportation have always been exempt from the Conservation Adjustment
20 Factor due to the distinctive service provided by the Company.

21 The results were then divided by the projected gas throughput for each rate
22 class for the 12-month period ending December 31, 2021. The resulting
23 Energy Conservation Cost Recovery Adjustment factors are shown on
24 Schedule C-1 of Exhibit GSR-1.

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

1 A. These customers are served either under the Special Contract Service or
2 Flexible Gas Service, because they have alternative fuel or physical bypass
3 options and are considered by Chesapeake to be “market-based rate”
4 customers. Each of these customers has viable alternatives for service;
5 therefore the negotiated and Commission-approved (in the case of Special
6 Contract Service) rates reflect the fact that only a certain level of revenues can
7 be charged to these customers. In fact, the Company has always excluded the
8 Special Contract Service and tariff rate class FTS-13 customers from the
9 ECCR recovery factors. The Commission has not taken issue with the
10 Company’s expressed application of the factors either in the ECCR Clause
11 proceedings or in the context of any Special Contract approval.

12 **Q. Has the Company prepared a schedule that shows the calculation of the**
13 **Florida Division of Chesapeake Utilities proposed Energy Conservation**
14 **Cost Recovery Adjustment (Experimental) factors for certain rate classes**
15 **on an experimental basis to be applied during billing periods from**
16 **January 1, 2021 through December 31, 2021?**

17 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B,
18 FTS-1, FTS-2, FTS-2.1, FTS-3 and FTS-3.1. A similar calculation was made
19 as described above for the experimental rates; however, the projected number
20 of bills for each rate class for the 12-month period ending December 31, 2021
21 was utilized. The resulting Energy Conservation Cost Recovery Adjustment
22 (Experimental) factors are shown on Schedule C-1, page 3 of 3 of Exhibit
23 GSR-1.

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

25 A. Yes.

1 (Whereupon, prefiled direct testimony of Karen
2 L. Bramley was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name, business address, by whom you are
7 employed, and in what capacity?

8
9 **A.** My name is Karen L. Bramley. My business address is 702
10 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System ("Peoples") as Gas
12 Regulatory Manager, in the Regulatory Affairs Department.

13
14 **Q.** Please describe your educational and employment
15 background.

16
17 **A.** I graduated from the University of South Florida in 1990
18 with a Bachelor of Arts degree in Political Science and
19 from University of South Florida in 1993 with a Master's
20 degree in Public Administration. My work experience
21 includes twenty-four years of gas and electric utility
22 experience. My utility work has included various positions
23 in Legal, Customer Service, Fuels Management and
24 Regulatory. In my current position, I am responsible for
25 Peoples Gas System's Natural Gas Conservation Cost Recovery

1 ("NGCCR") Clause and Purchased Gas Adjustment("PGA")
2 Clause.

3

4 **Q.** Have you previously testified before the Florida Public
5 Service Commission ("Commission")?

6

7 **A.** No.

8

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

10

11 **A.** The purpose of my testimony is to present and support for
12 Commission review and approval the company's actual DSM
13 programs related true-up costs incurred during the
14 January through December 2019 period.

15

16 **Q.** Did you prepare any exhibits in support of your testimony?

17

18 **A.** Yes. Exhibit No. KLB-1, entitled "Peoples Gas System,
19 Schedules Supporting Conservation Cost Recovery Factor,
20 Actual, January 2019-December 2019" was prepared under my
21 direction and supervision. This Exhibit includes Schedules
22 CT-1 through CT-3, and CT-6 which support the company's
23 actual and prudent DSM program related true-up costs
24 incurred during the January through December 2019 period.

25

1 Q. What were Peoples Gas System's actual January through
2 December 2019 conservation costs?

3

4 A. For the period, January through December 2019, Peoples Gas
5 System incurred actual net conservation costs of
6 \$16,619,336.

7

8 Q. What is the final end of period true-up amount for the
9 conservation clause for January through December 2019?

10

11 A. The final conservation clause end of period true-up for
12 January through December 2019 is an under-recovery,
13 including interest, of \$3,101,867. This calculation is
14 detailed on Schedule CT-1, page 1 of 1.

15

16 Q. Should Peoples Gas System's cost incurred during the
17 January through December 2019 period for energy
18 conservation be approved by the Commission?

19

20 A. Yes, the costs incurred were prudent and directly related
21 to the Commission's approved DSM programs and should be
22 approved.

23

24 Q. Does that conclude your testimony?

25

1 **A.** Yes, it does.

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **PREPARED DIRECT TESTIMONY**3 **OF**4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name, business address, by whom you are
7 employed, and in what capacity?

8
9 **A.** My name is Karen L. Bramley. My business address is 702
10 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System ("Peoples") as Gas
12 Regulatory Manager, in the Regulatory Affairs Department.

13
14 **Q.** Please describe your educational and employment
15 background.

16
17 **A.** I graduated from the University of South Florida in 1990
18 with a Bachelor of Arts degree in Political Science and
19 from University of South Florida in 1993 with a Master's
20 degree in Public Administration. My work experience
21 includes twenty-four years of gas and electric utility
22 experience. My utility work has included various positions
23 in Legal, Customer Service, Fuels Management and
24 Regulatory. In my current position, I am responsible for
25 Peoples Gas System's Natural Gas Conservation Cost Recovery

1 ("NGCCR") Clause and Purchased Gas Adjustment("PGA") Clause
2 as well as various other regulatory activities for Peoples.
3

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

5
6 **A.** The purpose of my testimony is to support Peoples' actual
7 conservation costs incurred during the period January
8 through December 2019, the actual/projected period
9 January to December 2020, and the projected period January
10 through December 2021. The projected 2021 ECCR factors
11 have been calculated based on the current approved
12 allocation methodology.
13

14 **Q.** Are you sponsoring any exhibits with your testimony?

15
16 **A.** Yes, I am sponsoring Exhibit No. KLB-2 prepared under my
17 direction and supervision. This document consists of
18 Schedules C-1 through C-5 and associated data which
19 contain information which support the development of the
20 natural gas conservation cost recovery factors to be
21 applied to customer' bills during the period January 2021
22 through December 2021.
23

24 **Q.** Does the Exhibit No. KLB-2 meet the requirements of Florida
25 Statute Rule 25-17.015 which requires the projection filing

1 to include the annual estimated/actual true-up filing
2 showing actual and projected common costs, individual
3 program costs, and any revenues collected?
4

5 **A.** Yes, it does.
6

7 **Q.** What timeframe did Peoples Gas System develop its 2020
8 annual estimated/actual true-up filing?
9

10 **A.** Peoples Gas System developed its 2020 annual
11 estimated/actual true-up filing showing actual and
12 projected common costs, individual program costs, and any
13 revenues collected based upon six months of actuals and six
14 months of estimates.
15

16 **Q.** Please describe the conservation program costs projected by
17 Peoples during the period January through December 2019.
18

19 **A.** For the period January through December 2019, Peoples
20 projected conservation program costs to be \$16,819,205.
21 The Commission authorized collections to recover these
22 expenses in Docket No. 20190004-GU, Order No. PSC-2019-
23 0499-FOF-GU, issued November 22, 2019.
24

25 **Q.** For the period January through December 2019, what were

1 Peoples' conservation costs and what was recovered through
2 the ECCR clause?

3

4 **A.** For the period January through December 2019, Peoples
5 incurred actual net conservation costs of \$16,619,336. The
6 amount collected in the ECCR clause was \$17,992,451. The
7 conservation revenue applicable to this period was
8 \$16,468,265 which includes the \$17,992,451 amount collected
9 in the ECCR clause, applicable regulatory assessment fees
10 of \$89,515 and the prior period true-up under-recovery of
11 \$1,434,671.

12

13 **Q.** What is the true-up amount for Peoples' for the period
14 January through December 2019?

15

16 **A.** Peoples' true-up amount for the period January through
17 December 2019 was an under-recovery of \$3,101,867
18 including interest as detailed on Schedule CT-1 of Exhibit
19 No. KLB-1.

20

21 **Q.** Please describe the conservation program costs projected
22 to be incurred by Peoples during the period January
23 through December 2020?

24

25 **A.** The actual costs incurred by Peoples through June 2020

1 and projected for July through December 2020 are
2 \$16,693,643. For the period, Peoples anticipates an
3 under-recovery in the ECCR Clause of \$1,150,698 which
4 includes the 2019 true-up and interest. A summary of
5 these costs and estimates are fully detailed in Exhibit
6 No. KLB-2, Estimated Conservation Program Costs Per
7 Program, pages 12 through 15.

8
9 **Q.** Has Peoples implemented the Residential Customer Assisted
10 Energy Audit, as approved by the Commission in Docket No.
11 20180186-GU, Order No. 2019-0361-PAA-GU, issued on August
12 26, 2019?

13
14 **A.** Yes, Peoples began offering the Residential Customer
15 Assisted Energy Audit ("Online Energy Audit") in April
16 2020. As of July 31, 2020, 2,415 customers have
17 participated in the Online Audit.

18
19 **Q.** Has Peoples implemented the Commercial Walkthrough Audit,
20 as approved by the Commission in Docket No. 20180186-GU,
21 Order No. 2019-0361-PAA-GU, issued on August 26, 2019?

22
23 **A.** No, Peoples developed guidelines for this program, but it
24 has not been implemented due to contractor concerns with
25 performing Commercial Walk-Through Energy Audits at a

1 customer premise, due to safety and personal protective
2 equipment concerns related to COVID-19. Peoples continues
3 to work with contractors and plans to implement the audit
4 once conditions improve. Peoples has projected 2021 costs
5 for the Commercial Audit using data from the Company's
6 DSM plan.

7
8 **Q.** Has Peoples reflected the adjustment related to the over-
9 recovery identified in Docket No. 20190109-GU, Petition
10 for recovery of cost associated with Hurricane Michael
11 and replenishment of storm reserve, by Peoples Gas System,
12 and as approved by Order No. PSC-2020-0103-PAA-GU issued
13 on April 14, 2020?

14
15 **A.** Yes, Peoples has fulfilled the requirements of the Order
16 by reflecting the over-recovery in the amount of \$186,149.
17 This adjustment is included on the "Regulatory
18 Adjustments" line of Page 3 of Schedule C-3.

19
20 **Q.** Please summarize the proposed conservation costs for the
21 period January through December 2021 and the annualized
22 recovery factors applicable for the period January through
23 December 2021?

24
25 **A.** Peoples has estimated that the total conservation costs

(less program revenues) during the period will be \$17,631,506 plus true-up. Including true-up estimates, the January through December 2021 conservation cost recovery factors for retail rate classes are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.09591
SGS	\$0.06210
GS-1 & CS-SG & CS-GHP	\$0.03043
GS-2	\$0.02224
GS-3	\$0.01840
GS-4	\$0.01353
GS-5	\$0.00996
NGVS	\$0.01957
CSLS	\$0.01603

Exhibit No. KLB-2, Schedule C-1, Page 1 of 1, Energy Conservation Adjustment, Summary of Cost Recovery Clause Calculation, contains the Commission-prescribed form which details these estimates.

Q. Does this conclude your testimony?

A. Yes, it does.

1 (Whereupon, prefiled direct testimony of Jerry
2 H. Melendy was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**DOCKET 20200004-GU****DIRECT TESTIMONY OF JERRY H. MELENDY****ON BEHALF OF SEBRING GAS SYSTEM, INC.****May 1, 2020**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Jerry H. Melendy. My business address is Sebring Gas System, Inc.,
3 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 ENERGY**
7 **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 actual
11 activities and expenses for the Company's energy conservation programs incurred
12 during the period January 2019 through December 2019. I will also identify the final
13 conservation true-up amount for the above referenced period.

14 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
15 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**
16 **THESE PROGRAMS?**

17 **A.** Yes. Summaries of the Company's six approved programs for which costs were
18 incurred during the period January 2018 through December 2019 are included in

1 Schedule CT-6 of Exhibit JHM-1. Included are the Residential New Construction
2 Program, the Residential Appliance Replacement Program, the Residential Appliance
3 Retention Program, Commercial New, and Commercial Retention.

4 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
5 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
6 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

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

10 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY TO**
11 **ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE TWELVE-**
12 **MONTH PERIOD ENDING DECEMBER 2019?**

13 **A.** As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's total 2019
14 programs costs were \$46,184.

15 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE VARIANCE**
16 **OF ACTUAL FROM PROJECTED COSTS BY CATEGORIES OF**
17 **EXPENSES?**

18 **A.** Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

19 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**
20 **MONTHS ENDING DECEMBER 2019?**

21 **A.** The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an under
22 recovery of \$2,945.

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

24 **A.** Yes

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.20200004-GU**

7 **August 10, 2020**

8

9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring
11 Gas System, Inc., US Highway 27 South, Sebring, FL 33870.

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

13 A. I am President of Sebring Gas Company, Inc. (the "Company").

14 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED**
15 **ENERGY CONSERVATION PROGRAMS AND THE REVENUES**
16 **AND COSTS THAT ARE ASSOCIATED WITH THESE**
17 **PROGRAMS?**

18 A. Yes.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **DOCKET?**

21 A. My testimony will present actual and projected expenditures and
22 revenues related to promoting and administering the Company's
23 energy conservation programs in 2020 and 2021. I will provide the

1 adjusted net true-up amount associated with program administration
2 for the January 2020 through December 2020 period. Actual program
3 costs are provided for the period January 1, 2020 through July 31,
4 2020, as well as the costs the Company expects to incur from August
5 1, 2020 through December 31, 2020. I will also indicate the total costs
6 the Company seeks to recover through its conservation factors during
7 the period January 1, 2021 through December 31, 2021. Finally, I will
8 also propose the energy conservation cost recovery factors which,
9 when applied to consumer bills during the period January 1, 2021
10 through December 31, 2021, will permit recovery of the Company's
11 total conservation costs.

12 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
13 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
14 **WITH THESE PROGRAMS?**

15 A. Yes. Summaries of the Company's six approved programs are
16 included in Schedule C-4 of Exhibit JHM-2 Included are the
17 Residential New Construction Program, the Residential Appliance
18 Replacement Program, the Residential Appliance Retention Program,
19 the Commercial New Construction Program, the Commercial
20 Appliance Replacement Program and the Commercial Retention
21 Program.

1 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
2 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
3 **THE CURRENT (2018) AND PROJECTED (2019) PERIODS?**

4 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
5 expenses for the January 2020 through July 2020 period and
6 projected expenses for the January 2020 through December period.
7 Projected expenses for the January 2021 through December 2021
8 period are included in Schedule C-2, Exhibit JHM-2.

9 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
10 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2019?**

11 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-2, provides actual
12 conservation revenue for the January 2020 through July 2020 period,
13 and projected conservation revenues for the August 2020 through
14 December 2020 period.

15 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
16 **PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2020?**

17 A. The Company is over-recovered by \$1,884 as calculated on Schedule
18 C-3, Page 4, Line 11, Exhibit JHM-2.

19 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO**
20 **RECOVER DURING THE PERIOD JANUARY 1, 2021 THROUGH**
21 **DECEMBER 31, 2021?**

22 A. As indicated on Schedule C-1, Exhibit JHM-2, the Company seeks to
23 recover \$26,050 during the referenced period. This amount represents

1 the projected costs of \$27,934 to be incurred during 2021, plus the
2 estimated true-up of \$(1,884) for calendar year 2020.

3 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
4 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
5 **CLASS FOR THE JANUARY 2021 THROUGH DECEMBER 2021**
6 **PERIOD?**

7 A. Schedule C-1, Exhibit JHM-2, provides the calculation of the
8 Company's proposed ECCR factors for 2021.

9 The Conservation Adjustment Factors per therm for Sebring Gas
10 System are:

11	TS-1	\$.10222
12	TS-2	\$.03987
13	TS-3	\$.02533
14	TS-4	\$.02339

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

16 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Debbie Stitt was inserted.)

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1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2. In Re: Conservation Cost
3. Recovery Clause

Docket No. 20200004-GU
Filing Date: May 4, 2020

4. _____/

5.

6. **DIRECT TESTIMONY OF DEBBIE STITT ON
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 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, 2019
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 testimony
21. this 4th day of May, 2020 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, 2019" for identi-
25. fication

1. Q. What amount did St. Joe Natural Gas spend on conser-
2. vation programs during the period?
3. A. \$231,600.00
4. Q. What is the final true-up amount associated with this
5. twelve-month period ending December 31, 2019?
6. A. The final true-up amount for December 31, 2019 is
7. an over-recovery of \$12,036.
8. Q. Does this conclude your testimony?
9. A. Yes
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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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1 CHAIRMAN CLARK: All right. Let's move to
2 exhibits.

3 MS. PASSIDOMO: Staff has compiled a
4 stipulated comprehensive exhibit list, which
5 includes the prefiled exhibits attached to the
6 witnesses' testimony in this case. The list has
7 been provided to the parties, the Commissioners and
8 the court reporter. The this list is marked as the
9 first hearing exhibit, and the other exhibits
10 should be marked as set forth in the comprehensive
11 exhibit list.

12 (Whereupon, Exhibit Nos. 1-23 were marked for
13 identification.)

14 CHAIRMAN CLARK: Move those in the record?

15 MS. PASSIDOMO: Staff requests that the
16 Comprehensive Exhibit List, marked as Exhibit No.
17 1, be entered into the record.

18 CHAIRMAN CLARK: So ordered.

19 (Whereupon, Exhibit No. 1 was received into
20 evidence.) bass

21 MS. WEISENFELD: Staff moves to include
22 Exhibits 2 through 23 into the record as set forth
23 in the Comprehensive Exhibit List.

24 CHAIRMAN CLARK: And those are so ordered as
25 well.

1 (Whereupon, Exhibit Nos. 2-23 were received
2 into evidence.)

3 CHAIRMAN CLARK: All right. Let's move into
4 the decision and stipulated issue.

5 Staff, is this docket in posture for the
6 Commission to make a bench decision on the issues?

7 MS. PASSIDOMO: Yes. If the Commission
8 decides that a bench decision is appropriate, staff
9 recommends that the proposed Type 2 stipulations on
10 pages 17 through 22 of the Prehearing Order, Issues
11 Nos. 1 through 10, be approved by the Commission.

12 CHAIRMAN CLARK: All right. Commissioners, do
13 you have any questions?

14 If you have no questions, then I would
15 entertain a motion to approve the proposed
16 stipulations on Issues 1 through 10.

17 Commissioner Fay moves --

18 COMMISSIONER FAY: Mr. Chair, I would --

19 CHAIRMAN CLARK: -- the items.

20 COMMISSIONER FAY: I would move for approval
21 on all Issues 1 through 10 in the 04 docket.

22 COMMISSIONER BROWN: Second.

23 CHAIRMAN CLARK: Commissioner Brown has
24 seconded the motion.

25 Any discussion?

1 All right. All those in favor say aye.

2 (Chorus of ayes.)

3 CHAIRMAN CLARK: Opposed?

4 (No response.)

5 CHAIRMAN CLARK: Motion carries.

6 Staff, are there any concluding matters?

7 MS. PASSIDOMO: Since the Commission has made
8 a bench decision, post-hearing filings are not
9 necessary. The final order will be issued by
10 November 23rd, 2020.

11 CHAIRMAN CLARK: All right. Any other items
12 that need to be addressed? Commissioners?

13 All right. That will conclude and close the
14 04 docket.

15 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 9th day of November, 2020.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024