

24

SJNG's Response to Staff's
First Set of Interrogatories, Nos.
1-6

1. **Please explain why all conservation program expenses are recorded as an expense for Incentives.**

SJNG pays customers rebates on appliances which are called Incentives. That is the only expense SJNG incurs.

2. **Please explain why the expense for Incentives allocated to the Residential New Construction program, \$92,250, was 34” higher for the January – December 2021 period, compared to the January – December 2020 period, when the recorded expense was \$68,950.**

The Gulf and Bay County areas have seen a significant increase in new construction since 2018.

3. **Please explain why the expense for Incentives allocated to the Residential Appliance Replacement program, \$26850, was 22% higher for the January – December 2021 period, compared to the January – December 2020 period, when the recorded expense was \$21,975.**

Same answer as question #2.

4. **Please explain why the expense for Incentives allocated to the Residential Appliance Retention program, \$60,350, was 27% lower for the January – December 2021 period, compared to the January – December 2020 period, when the recorded expense was \$82,200.**

The retention program in 2020 was still experiencing a significant increase in replacement from Hurricane Michael.

5. **In 2021 the Company recorded \$16,500 in Incentives for its Commercial Large Food Service Commercial Rebate program, and \$0 for this program in 2022. What current efforts are being made by the Company to attract or encourage commercial customers to participate in conservation programs?**

The company spent \$16,500 in incentives in 2020 and it was for two large customers. There were no incentives paid in 2021. The efforts to encourage commercial customers to participate in conservation programs include meeting with all potential customers before construction to encourage gas use for their business. Not many large commercial customers with gas needs come to our area so we talk to them in person when we find out that someone is coming to our area.

6. **On September 14, 2021, the Florida Department of Revenue announced in Tax Information Publication No: 21C01-02 that the state's corporate income tax rate has been reduced to 3.535 percent for tax years beginning on or after January 1, 2021. Would there be an impact on the clause due to the tax reduction? If so, please explain, and identify by Schedule and Line entry where St. Joe recognized the changes in State of Florida corporate income taxes that occurred in 2021.**

No impact. We were not aware of any tax changes in 2021.

With respects,

Andy Shoaf