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SJNG's Response to Staff's
Second Set of Interrogatories,
No. 7

Q 7. Please refer to Schedule CT-2, Page 2 of 3, in Exhibit DKS-1, from Saint Joe's May 2, 2022 filing in Docket No. 20220004-GU, reflecting that no expense was allocated to Advertising. Please answer the following:

A. Explain how customers are informed or made aware of the Company's conservation programs.

Response: Customers are either repeat customers or hear about the conservation program from friends or neighbors. We also inform any new or potential customers of the program.

B. Please discuss the rationale for not recording costs for advertising expenses to promote or inform customers about its conservation programs.

Response: We have had the highest conservation factor of any company in the state over the last few years. The conservation factor that we must charge to cover the program is one of the highest line items on the gas bill costing more than both the delivery charge and the fuel charge. We like the program but we do not need to spend any money on it because of its own success. We have had higher rates of construction in our area the last few years with hurricane rebuilding and hope that our program will slow down some in the coming years to lower our conservation factor to a more reasonable number.