

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost) DOCKET NO. 950002-EG
Recovery Clause.) ORDER NO. PSC-95-0398-FOF-EG
_____) ISSUED: March 23, 1995

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING CERTAIN ENERGY
CONSERVATION COST RECOVERY

APPEARANCES:

JOHN MCWHIRTER, JR., Esquire, McWhirter, Reeves, McGlothlin, Davidson and Bakas, 315 South Calhoun Street, Suite 716, Tallahassee, Florida 32301
On behalf of Florida Industrial Power Users Group and City Gas Company of Florida.

CHARLES A. GUYTON, Esquire, Steel Hector and Davis, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301-1804
On behalf of Florida Power and Light Company.

JAMES A. MCGEE, Esquire, Post Office Box 14042, St. Petersburg, Florida 33733-4042
On behalf of Florida Power Corporation.

ROBERT SCHEFFEL WRIGHT, Esquire, Landers and Parsons, 310 West College Avenue, Tallahassee, Florida 32302
On behalf of Peoples Gas System, Inc..

JAMES D. BEASLEY, Esquire, Macfarlane Ausley Ferguson & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company.

JOHN ROGER HOWE, Esquire, Deputy Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

SHEILA L. ERSTLING, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0863
On behalf of the Commission Staff.

PRENTICE PRUITT, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0862
On behalf of the Commissioners.

BY THE COMMISSION:

Case Background

As part of the Commission's continuing fuel and energy conservation cost, purchased gas cost, and environmental cost recovery proceedings, pursuant to Notice, a hearing was held March 8 and 9, 1995, in this docket, as well as in Dockets Nos. 950001-EI, 950003-GU and 950007-EI which will be addressed in other orders.

Florida Power Corporation (FPC), Florida Power and Light Company (FPL), Florida Public Utilities Company (FPUC), Gulf Power Company (GULF), Tampa Electric Company (TECO), Chesapeake Utilities Corporation (CUC), City Gas Company (CGC), Peoples Gas System, Inc. (Peoples), St. Joe Natural Gas Company (SJNG) and West Florida Natural Gas Company (WFNG) submitted testimony and exhibits in support of their actual end-of-the-period true-up amounts, projections, and their conservation cost recovery factors. At the Prehearing Conference, the Office of Public Counsel, all other intervenors and the utilities reached agreement as to the appropriate true-up amounts and recovery factors for all utilities, subject to resolution of company specific issues.

Actual True-ups Amounts and Cost Recovery Factors

The parties stipulated to the conservation cost recovery true-up amounts and the appropriate factors to be applied during the April 1995 through March 1996 period. We approve the stipulations as reasonable and supported by competent substantial evidence of record.

Accordingly, we approve the following actual end-of-the-period true-up amount for the period October 1, 1993, through September 30, 1994, as follows:

Electric Utilities:

FPC:	\$(9,661,394)	Overrecovery
FPL:	\$(3,795,705)	Overrecovery
GPC:	\$(98,385)	Overrecovery
TECO:	\$(545,918)	Overrecovery
FPUC: Marianna	\$(3,528)	Overrecovery
Fernandina	\$(3,385)	Overrecovery

Gas Utilities:

CUC:	\$ 24,948	Underrecovery
CGC:	\$ 973,611	Underrecovery
PEOPLES:	\$(370,379)	Overrecovery
SJNG:	\$(5,186)	Overrecovery
WFNG:	\$(182,780)	Overrecovery

We also approve the following energy conservation cost recovery (ECCR) factors to be utilized for the period April 1995 through March 1996:

Electric Utilities:

FPC:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	.335 cents/kWh
	General Svc. Non-Demand	.276 cents/kWh
	@ Primary Voltage	.273 cents/kWh
	@ Transmission Voltage	.270 cents/kWh
	General Svc. 100% Load Factor	.203 cents/kWh
	General Svc. Demand	.238 cents/kWh
	@ Primary Voltage	.236 cents/kWh
	@ Transmission Voltage	.233 cents/kWh
	Curtable	.207 cents/kWh
	@ Primary Voltage	.205 cents/kWh
	@ Transmission Voltage	.203 cents/kWh

Interruptible	.208 cents/kWh
@ Primary Voltage	.206 cents/kWh
@ Transmission Voltage	.204 cents/kWh
Lighting	.104 cents/kWh

FPL:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	.251 cents/kWh
	General Svc.	.232 cents/kWh
	General Svc. Demand	.215 cents/kWh
	Sports Service 2	.177 cents/kWh
	General Svc. Large 1/Curtailable 1	.208 cents/kWh
	General Svc. Large 2/Curtailable 2	.200 cents/kWh
	General Svc. Large 3/Curtailable 3	.188 cents/kWh
	Interruptible Standby 1D	.229 cents/kWh
	Standby Supplemental 1T	.181 cents/kWh
	Standby Supplemental 1D	.170 cents/kWh
	Commercial Load Control D & G	.192 cents/kWh
	Commercial Load Control T	.182 cents/kWh
	Metropolitan Transit	.217 cents/kWh
	Outdoor/Street Lighting 1	.131 cents/kWh
	Street Lighting 2	.191 cents/kWh
GPC:		.026 cents/kWh
TECO:	Residential	.153 cents/kWh
	General Svc. Non-Demand	.145 cents/kWh
	General Svc. Demand	.119 cents/kWh
	@ Primary Voltage	.117 cents/kWh
	General Svc. Large Demand	.111 cents/kWh
	@ Primary Voltage	.110 cents/kWh
	Lighting	.058 cents/kWh
	Interruptible	.007 cents/kWh
FPUC:	(Marianna)	.018 cents/kWh
	(Fernandina Beach)	.012 cents/kWh

Gas Utilities:

CUC:	<u>Rate Class</u>	<u>ECCR Factor</u>
	GS - Residential	5.289 cents/therm
	GS - Commercial	1.702 cents/therm
	GS - Commercial-Large Volume	1.030 cents/therm
	GS - Industrial	.560 cents/therm
	Firm Transportation	.549 cents/therm

CGC:	<u>Rate Class</u>	<u>ECCR Factor</u>
	RS - Residential	7.563 cents/therm
	CS - Commercial	1.919 cents/therm

PEOPLES:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	5.753 cents/therm
	Commercial	
	Street Lighting	.705 cents/therm
	Commercial - Small Volume	5.282 cents/therm
	Commercial	2.056 cents/therm
	Commercial	
	Large Volume 1	1.664 cents/therm
	Commercial	
	Large Volume 2	1.211 cents/therm
	Natural Gas Vehicle Svc.	.522 cents/therm

SJNG:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	3.445 cents/therm
	Commercial	4.794 cents/therm
	Commercial - Large Volume	3.213 cents/therm

WFNG:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	4.453 cents/therm
	Commercial	1.514 cents/therm
	Commercial - Large Volume	1.129 cents/therm
	Industrial	.218 cents/therm
	Firm Transportation	.218 cents/therm
	Special Contract	.218 cents/therm

A separate but related issue relating to recovery of advertising expenses was stipulated by the parties, all intervenors and the Office of Public Counsel (OPC). In accepting these factors, we examined the stipulation and found it to be fair and reasonable and we approve it. The stipulation proposes that all of the utilities are entitled to recover their advertising expenses incurred during the period October 1993 through September 1994, subject to company specific adjustments noted below. When making fuel-savings comparisons in advertisements, the utilities rely on different input data to determine the amount of savings. Therm usage levels, kWh consumption, efficiency levels, and unit costs all vary from one utility to another. While the input data used varied, and in some cases considerably, each utility has publications and calculations which support the claims made in its advertisements. The Commission does not have a rule setting standards to be used when comparing the economics of one fuel application to another. Consequently, there is no basis to disallow advertising expenses related to fuel comparisons for any of the utilities participating in the ECCR Clause.

We find that the factors shall be effective beginning with the specified billing cycle and thereafter for the period April 1, 1995 through March 31, 1996. Billing cycles may start before April 1, 1995, and the last cycle may be read after March 31, 1996, so that the customer is billed for twelve months regardless of when the adjustment factor became effective.

A calculation worksheet detailing the true-up amounts and the factors for the natural gas utilities is attached to this Order as Attachment A. A calculation worksheet detailing the true-up accounts and factors for the electric utilities is attached to this Order as Attachment B.

Conservation Goals Docket Costs

In the course of the hearing we heard oral arguments from FPL, FPC, TECO and OPC which addressed the generic issue as to whether the electric utilities should be permitted to recover the cost of their participation in the Conservation Goals Dockets through the conservation cost recovery clause. In addition, FPL, FPC and TECO addressed specific recovery of costs totalling \$286,233, \$133,118, and \$79,355 respectively, which are the respective companies' incremental administrative expenses related to the Conservation Goals Docket.

FPL stated that its costs fit into three categories: (1) outside analytical and witness fees; (2) duplicating and shipping expenses; and (3) travel, lodging and logistic costs. No attorney fees were included or anticipated to be included. FPL argued it is appropriate for these costs to be recovered through the cost recovery mechanism for two reasons. First, the Florida Energy & Efficiency Conservation Act (FEECA) explicitly envisioned proceedings for setting conservation goals as part of the overall process for implementation of conservation plans. If Sections 366.82, 366.82(2), 366.82(3) and 366.82(5), Florida Statutes, are read as a whole, then the entire process could be conceived as the "overall implementation of plan." To do otherwise would be to ignore Section 366.81, Florida Statutes, which indicates that the legislative intent was to construe the statutes liberally to obtain conservation benefits.

Further, FPL argued that these costs were not currently recovered in FPL rates, and if not recovered through ECCR they would not be recovered at all. FPL also argues that contrary to Staff's belief, as stated in the Prehearing Order, Rule 25-17.015(1), Florida Administrative Code, and Section 366.82(5), Florida Statutes, do not require a separate petition or account for

these costs. FPL states that in the last ECCR proceeding FPL projected, petitioned for, and was granted recovery of conservation costs also expended in goals proceedings. In its true-up filing reasonable and unreimbursed costs for the conservation goals proceeding were included; these costs relate to the overall implementation of the company's plan.

Second, FPL argues that it was required to defend against many witnesses in the Conservation Goals Docket over five weeks of intermittent scheduling. FPL's litigation in the goals docket resulted in the company having to purchase only as much conservation as is needed. The Commission developed goals based on the potential cost-effectiveness under the Rate Impact Measures (RIM) and Participants tests, rather than the Total Resource Cost (TRC) test proposed by the Department of Community Affairs. Therefore, all customers will benefit and should pay the associated costs.

TECO adopted the arguments of FPL. TECO explained that the \$79,355 in question represents cost of an outside consultant (Synergic Resources Corporation) to evaluate conservation measures. If these conservation-related developmental costs are not recovered through the conservation cost recovery clause they will be unreimbursed. In the past, TECO argued, the Commission has allowed these costs to be recovered. TECO believes that disallowing these expenses would perhaps signal the utilities not to take the subject of conservation seriously. In addition, since Staff did not present any witnesses to support its position, there is neither a valid policy or legal basis for a disallowance.

FPC concurred with both FPL's and TECO's positions and went on to argue that to disallow Conservation Goals Docket expenses would be inconsistent with prior practice of the Commission. Utilities in the past have been required to exclude all conservation related costs from rate cases. Therefore, these costs are not recovered in rate base. The adoption of goals and the development of plans are all part of the overall process and it would be difficult to find a legitimate distinction between these costs. FPC believes that it is a reasonable view, consistent with FEECA, to recover administrative costs under the cost recovery mechanism. This recovery satisfies the test of fairness.

OPC stated that it was in disagreement with the positions taken by each of the three utilities. OPC maintained that rate cases are basically a thing of the past. Utilities are preparing for competition. In so doing, the utilities are trying to find ways to pigeonhole as many expenses as possible through some cost recovery mechanism. The utilities' request for recovery of these

administrative expenses simply does not fit under Section 366.82(5), Florida Statutes. The statute states that each utility "shall estimate its costs and revenues for audits, conservation programs, and implementation of its plans for the immediately following 6-month period." It then goes on to explain how actual data will be compared with projections and how a true-up will be allowed. As with fuel cost recovery, conservation cost recovery mechanisms operate prospectively.

As to the utilities' arguments that these costs were never considered in a rate case, OPC maintains that such arguments are inconsequential so long as the utility is earning within its range of return on equity (ROE). Each of these utilities is currently earning within its range of ROE. OPC asserts that the utilities are attempting after-the-fact to manage return by trying to find mechanisms to recover specific costs under existing cost recovery categories in the absence of base rate cases. OPC believes that cost recovery mechanisms should be narrowly construed to achieve their intended purpose.

Upon consideration, we find that it is inappropriate to recover incremental and administrative expenses related to the Conservation Goals Dockets through the Energy Conservation Cost Recovery Clause. We accept and agree with the utilities affirmation that attorney fees related to the Conservation Goals Docket are not an appropriate charge to ECCR. The generic Conservation Goals Docket was a rule-established process for dealing with regulatory activities that will be repeated in future years. During the course of any given year, we examine many generic regulatory matters. Therefore, we do not believe, that whether a docket is related to conservation specifically or to other regulatory matters before the Commission is relevant - these are Commission administrative activities that are litigated on a regular basis.

As previously mentioned by OPC, Section 366.82(5), Florida Statutes, specifically provides for recovery of the costs of audits, conservation programs, and implementation of a utility's conservation plan. We do not accept the broader interpretation given to this statute by the utilities. In Section 366.82(2), Florida Statutes, the Legislature instructed this Commission to adopt conservation goals for increasing energy efficiency. The Conservation Goals Dockets were the medium used by this Commission to fulfill this statutory instruction. Only after the goals are set does the statute speak to the implementation of plans and programs by the utilities and the method by which they would recover costs for these programs. Section 366.82, Florida Statutes, provides an incentive for the companies to implement

conservation programs by providing for direct cost recovery. In the past, this Commission has adopted a broad construction of the term "recovery of program costs." We have allowed the utilities not only to recover for approved conservation program costs but for approved conservation research and development costs as well. Our purpose is to encourage the utilities to develop and institute programs that will yield cost-effective conservation. This being said, the carefully-constructed statute does not allow for a utility's participation in litigation to establish conservation goals to be recovered by a direct pass-through in the Energy Conservation Cost Recovery docket.

Rule 25-17.015(1), Florida Administrative Code, provides that a utility may seek to recover its costs for energy conservation programs by first filing a petition setting forth estimates of those reasonable and prudent unreimbursed costs projected to be incurred, by specific program, less any estimated revenues. The rule simply sets forth the method by which a utility is to seek recovery and approval of specific audit, program and plan costs--it does not expand the types of cost that may be recovered under Section 366.82(5), Florida Statutes. None of the utilities complied with the rule by petitioning the Commission to recover Conservation Goals Docket expenses. The statute did not intend, and we did not anticipate in our rule, recovery of Conservation Goals Docket expenses.

Finally, TECO argued that Staff failed to support its position because no witness was presented. The amounts in question are not in dispute. Staff accepted the level and prudence of the amounts submitted by the utilities. Therefore, no witness was necessary. The only question remaining is whether it is appropriate to recover administrative or incremental costs incurred participating in the conservation goals dockets through the ECCR. This issue requires a statutory interpretation and not a factual determination.

Accordingly, we find it appropriate to disallow the expenses incurred by FPL of \$286,233, by FPC of \$133,118 and by TECO of \$79,355 for the conservation goals dockets. We approve the adjusted ECCR factors and the adjusted ECCR factors as cited above in this Order. As part of our ongoing conservation efforts in the future, the Commission will again review conservation goals. Our decision regarding the exclusion of Conservation Goals Docket expenses from pass-through recovery shall carry forward to future dockets setting forth conservation goals.

Company-Specific Conservation Cost Recovery Issues

A. The following company-specific issues were stipulated to by the parties. We find the stipulations to be fair and reasonable and we approve them.

FPC proposed a calculation of 1.00035 for a revenue tax expansion. The statutory Regulatory Assessment Fee for FPC is 0.00083. However, only 42.32% of FPC's program costs are subject to the Regulatory Assessment fee; therefore, the Adjusted Regulatory Assessment Fee works out mathematically to be 0.00035. Over 57% of FPC's program costs consist of program credits to the customer bills. FPC applies an expansion factor of 1.00035 which produces the same result were FPC to take the total program costs, subtract the program credits, and then apply the 1.00083 factor. If the percentage of program credits to total program costs were to change, the adjusted expansion factor would change correspondingly.

FPL proposed that the approximately \$310,000 of expenses associated with its Commercial/Industrial Real Time Pricing Research Project which FPL charged to its Conservation Research & Development (CRD) Program not be recovered in the current ECCR factor. These costs will be considered as unrecovered program costs incurred for the research project which, pursuant to Order No. PC-94-1232-FF-EG, FPL may seek to recover when and if it seeks Commission approval of a Commercial/Industrial Real Time Pricing conservation program. The amount in question does not change the ECCR factors submitted by FPL.

Gulf proposed to continue its rigorous supervisory review of time planners for accuracy. Previously, Gulf had established a marketing procedure that directed the review of conservation payroll and vehicle field expenses. Pursuant to the FPSC audit, this procedure has now been revised to ensure a more rigorous supervisory review. Gulf believes it now has an effective tool in place; however, the new procedure is subject to FPSC audit review.

Gulf Power Company requests that \$7,821.16 in conservation cost expenses for "good cents" building advertisements be allowed. In some instances the site signs (commercial billboards) that advertise "good cents" buildings also advertise commercial customers by name. Gulf agrees that prospectively space on the site sign dedicated to advertising the name of a commercial entity or customer shall not be recoverable. The amount recoverable shall be computed proportional to the amount of signage used to promote the "good cents" program.

TECO requested that it be allowed to use the refund from the Department of Revenue for overcollection of gross receipts taxes on load management credits totalling \$880,208, together with accrued

interest, to reduce projected load management expenses for April 1995. TECO estimates that the cost for a one-time bill credit would be \$81,000 and the cost to produce a refund check to load management customers would be \$400,000.

TECO proposed to adjust depreciation expense and return on investments by \$3,518. This amount represents the remaining difference between TECO's and our audit calculation of depreciation and return for the true-up period. The necessary adjustment transactions shall be made in the current month ledger. The amount in question does not change the ECCR factors submitted by TECO.

Florida Public Utilities, Marianna Division, proposed that it be allowed to recover \$397 of the \$855 expensed for conservation advertisements. Rule 25-17.015(5), Florida Administrative Code, states that to recover advertising expenses through Energy Conservation Cost Recovery, the expense must be directly related to an approved conservation program and shall not be company image enhancing. Gulf has made an adjustment of \$458 based on the amount of space devoted to the public service announcements included in each conservation advertisement. The ECCR factors as submitted by Gulf are accurate.

Peoples Gas System, Inc. has agreed to modify its incentive payment procedures so that, effective July 1, 1995, allowable incentives will no longer be deducted from amounts due from builders on General Service Agreements. Checks will be sent directly to participants. We find this modification to be appropriate and we approve it.

B. The following company-specific issue was not stipulated.

Based on the evidence adduced at the hearing, we find it appropriate to reduce Peoples Gas System, Inc.'s incentive expense by \$47,490. This disallowance is to remove payments made to builders who installed single appliances prior to May 1994. At that time, the company's Residential Home Builder Program required that a combination of water heating and home heating appliances must be installed to earn an incentive. By Order PSC-94-0567-FOF, issued May 12, 1994, the Commission approved Peoples' program modification to permit allowance payments for a single appliance. Section 366.82(3), Florida Statutes, requires prior approval by the Commission before a utility may modify or discontinue a plan which was previously approved. Peoples' management made a business decision to pay an incentive on a single appliance before the company requested its program modification. The company also paid this incentive during the time-period the Commission was reviewing its petition for modification prior to approval.

In reaching a decision, we examined the degree of discretion allowed the Commission in interpreting the statute. Administrative agencies have the authority to interpret the laws which they administer, but such interpretation cannot be contrary to clear legislative intent. Kruer v. Board of Trustees of the Internal Improvement Trust Fund of Florida, 647 So. 2d 129, 133 (Fla. 5th DCA 1994), citing Florida Dairy Farmers Fed'n v. Borden Co., 155 So. 2d 699 (Fla. 1st DCA 1963). In addition, an agency is entitled to deference when interpreting statutes involving agency expertise or issues of public policy. Williams v. State, Dep't of Management Services, Div. of Retirement, 647 So. 2d 317, 333 (1st DCA 1994), citing Public Relations Comm'n v. Dade County Police Benevolent Ass'n 467 So. 2d 987 (Fla. 1985); 1800 Atlantic Developers v. Department of Environmental Regulation, 552 So. 2d 946 (Fla. 1st DCA 1989), rev. denied, 562 So. 2d 345 (Fla. 199). Section 366.82(3), Florida Statutes, is clear and unambiguous. The question presented is not one of agency expertise or public policy. Although this Commission eventually granted approval of the company's program modification, we did not bestow upon the utility the right to reimbursement of incentives paid by the utility prior to the Commission granting said approval. By this decision we are putting the utilities on notice that, in the future, we will hold the utilities responsible for obtaining prior approval of program changes before the utilities institute them if they wish to recover the program costs.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings and stipulation set forth in the body of this Order are hereby approved. It is further

ORDERED that the utilities named herein are authorized to collect the conservation cost recovery amount and utilize the factors approved herein for bills rendered for meter readings taken beginning with the specified billing cycle and thereafter for the period April, 1995, through March, 1996. Billing cycles may start before April 1, 1995, and the last cycle may be read after March 31, 1997, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. It is further

ORDERED that the Attachments A and B to this Order are incorporated by reference and made a part hereof. It is further

ORDERED that Florida Power Corporation's calculation of 1.00035 for a revenue tax expansion is appropriate. It is further

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ORDERED that Florida Power & Light Company's expenses of approximately \$320,000 associated with its Commercial/Industrial Real Time Pricing Research Project will not be recovered in the current Energy Conservation Cost Recovery factor. It is further

ORDERED that Gulf Power Company continue its rigorous supervisory review of time planners for accuracy. It is further

ORDERED that is appropriate for Tampa Electric Company to reduce projected load management expenses for April, 1995, by \$880,208, which represents the Department of Revenue refund for overcollection of gross receipts tax. It is further

ORDERED that Tampa Electric Company shall make an adjustment of \$3,518 to depreciation expense and return on investments in the current month ledger. It is further

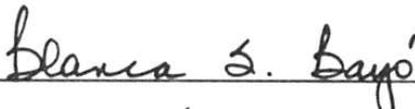
ORDERED that Florida Public Utilities, Marianna Division, shall be allowed to recover \$397 of expenses for conservation advertisements. It is further

ORDERED that Peoples Gas System, Inc. shall modify its incentive payment procedures so that, effective July 1, 1995, incentive payments shall be paid by check to builders on General Service Agreements. It is further

ORDERED that expenses for Peoples Gas System, Inc.'s Residential Home Builder Program shall be disallowed in the amount of \$47,490.

ORDERED that the \$7,821.16 in conservation costs incurred by Gulf Power Company for billboards advertising "good cents" buildings shall be allowed.

By ORDER of the Florida Public Service Commission, this 23rd day of March, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

SLE

DISSENT:

Commission Deason dissents on the Conservation Goals Docket expense decision and on the Peoples Gas System, Inc.'s Residential Home Builder Program decision.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

Conservation Cost Recovery
 Calculation Worksheet
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*** NATURAL GAS UTILITIES ***

Issue	CHESAPEAKE UTILITIES CORPORATION					CITY GAS COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Commission Vote	Difference	Company Position	Pub. Counsel Position	Difference Co. & PC	Commission Vote	Difference
Prior Period ADJUSTED NET True-up - Oct'93/Sep'94 (Over)/Under Recovery	\$24,948	NA	\$0	24,948	\$0	973,611	NA	\$0	973,611	\$0
Current Period ACTUAL/EST True-Up - Oct'94/Sep'95 (Over)/Under Recovery	\$192,188	NA	\$0	192,188	\$0	1,646,431	NA	\$0	1,646,431	(\$0)
Future Period Projections Estimated Costs Oct'95/Mar'96	\$124,393	NA	\$0	124,393	\$0	894,560	NA	\$0	894,560	\$0
(Over)/Under Recovery Estimated - Oct'94/Sep'95	\$192,188	NA	\$0	\$192,188	\$0	\$1,646,431	NA	\$0	\$1,646,431	(\$0)
TOTAL to Recover During - Apr'95/Mar'96	\$316,581	NA	\$0	\$316,581	\$0	\$2,540,991	NA	\$0	\$2,540,991	(\$0)

Issue	PEOPLES GAS SYSTEM, INC.					ST JOE NATURAL GAS COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Commission Vote	Difference	Company Position	Pub. Counsel Position	Difference Co. & PC	Commission Vote	Difference
Prior Period ADJUSTED NET True-up - Oct'93/Sep'94 (Over)/Under Recovery	(\$321,678)	NA	\$0	(370,379)	\$48,701	(\$5,186)	NA	\$0	(5,186)	\$0
Current Period ACTUAL/EST True-Up - Oct'94/Sep'95 (Over)/Under Recovery	\$3,783,791	NA	\$0	3,732,152	\$51,639	\$22,974	NA	\$0	22,974	\$0
Future Period Projections Estimated Costs Oct'95/Mar'96	\$2,659,861	NA	\$0	2,659,861	\$0	\$16,000	NA	\$0	16,000	\$0
(Over)/Under Recovery Estimated - Oct'94/Sep'95	\$3,783,791	NA	\$0	\$3,732,152	\$51,639	\$22,974	NA	\$0	\$22,974	\$0
TOTAL to Recover During - Apr'95/Mar'96	\$6,443,652	NA	\$0	\$6,392,013	\$51,639	\$38,974	NA	\$0	\$38,974	(\$0)

Conservation Cost Recovery
 Calculation Worksheet
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*** NATURAL GAS UTILITIES ***

Issue	WEST FLORIDA NATURAL GAS				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Commission Vote	Difference
Prior Period ADJUSTED NET True-up - Oct'93/Sep'94 (Over)/Under Recovery	(\$182,780)	NA	\$0	(182,780)	\$0
Current Period ACTUAL/EST True-Up - Oct'94/Sep'95 (Over)/Under Recovery	\$214,983	NA	\$0	214,983	\$0
Future Period Projections Estimated Costs Oct'95/Mar'96	\$455,664	NA	\$0	455,664	\$0
(Over)/Under Recovery Estimated - Oct'94/Sep'95	\$214,983	NA	\$0	\$214,983	\$0
TOTAL to Recover During - Apr'95/Mar'96	\$670,647	NA	\$0	\$670,647	\$0

*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL 1994, / MARCH, 1995

CHESAPEAKE UTILITIES CORPORATION

Commission Vote

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE PER THERM	(9) DOLLARS PER THERM	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
GS - RESIDENTIAL	88,300	2,075,943	573,950	895,271	1,469,221	107,733	7.33%	0.05190	1.01911	0.05289
GS - COMMERCIAL	9,166	4,246,581	137,490	829,442	966,932	70,902	7.33%	0.01670	1.01911	0.01702
GS - COMMERCIAL - LV	246	1,545,311	4,920	208,076	212,996	15,618	7.33%	0.01011	1.01911	0.01030
GS - INDUSTRIAL	312	8,777,216	12,480	644,950	657,430	48,207	7.33%	0.00549	1.01911	0.00560
FIRM TRANSPORTATION	0	13,756,597	0	1,010,835	1,010,835	74,121	7.33%	0.00539	1.01911	0.00549
TOTAL	98,024	30,401,648	728,840	3,588,574	4,317,414	316,581				

CITY GAS COMPANY

Commission Vote

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE PER THERM	(9) DOLLARS PER THERM	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
RS - RESIDENTIAL	1,098,919	21,365,940	6,568,746	8,462,003	15,030,749	1,609,770	10.71%	0.07534	1.00376	0.07563
CS - COMMERCIAL	57,874	48,706,728	694,488	8,000,512	8,695,000	931,221	10.71%	0.01912	1.00376	0.01918
INTERRUPTIBLE	0	0	0	0	0	0	0.00%	0.00000	1.00376	0.00000
TOTAL	1,156,793	70,072,668	7,263,234	16,462,515	23,725,749	2,540,991				

*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL 1994, / MARCH, 1995

PEOPLES GAS SYSTEM, INC.

Commission Vote

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE PER THERM	(9) DOLLARS	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
RESIDENTIAL	2,108,602	41,000,000	14,760,214	16,857,970	31,618,184	2,349,905	7.43%	0.05731	1.00376	0.05753
COMMERCIAL - STREET LT	258	210,257	0	19,863	19,863	1,476	7.43%	0.00702	1.00376	0.00705
SMALL COMMERCIAL	61,784	2,500,000	926,760	843,450	1,770,210	131,564	7.43%	0.05263	1.00376	0.05282
COMMERCIAL	173,158	92,500,000	2,943,686	22,545,950	25,489,636	1,894,423	7.43%	0.02048	1.00376	0.02056
COMMERCIAL - LG VOL 1	18,994	106,400,000	474,850	23,259,040	23,733,890	1,763,934	7.43%	0.01658	1.00376	0.01664
COMMERCIAL - LG VOL 2	365	20,000,000	16,425	3,231,000	3,247,425	241,353	7.43%	0.01207	1.00376	0.01211
NGVS	240	1,800,000	6,000	119,916	125,916	9,358	7.43%	0.00520	1.00376	0.00522
TOTAL	2,363,401	264,410,257	19,127,935	66,877,189	86,005,124	6,392,013				

ST JOE NATURAL GAS COMPANY

Commission Vote

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE PER THERM	(9) DOLLARS	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
RESIDENTIAL	16,991	870,773	50,973	17,154	68,127	29,137	42.77%	0.03346	1.02960	0.03445
COMMERCIAL	1,098	64,380	5,490	1,519	7,009	2,998	42.77%	0.04656	1.02960	0.04794
COMMERCIAL - LG VOL	308	219,155	6,150	9,840	15,990	6,839	42.77%	0.03121	1.02960	0.03213
INTERRUPTIBLE	0	0	0	0	0	0	42.77%	0.00000	1.02960	0.00000
INTERRUPTIBLE - LG VOL	0	0	0	0	0	0	42.77%	0.00000	1.02960	0.00000
TOTAL	18,397	1,154,308	62,613	28,513	91,126	38,974				

Conservation Cost Recovery
 Calculation Worksheet
 Page 5 of 5

*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL 1994, / MARCH, 1995

WEST FLORIDA NATURAL GAS

Commission Vote

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE	(9) DOLLARS PER THERM	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
RESIDENTIAL	306,000	9,506,153	2,142,000	3,091,876	5,233,876	421,760	8.06%	0.04437	1.00378	0.04453
COMMERCIAL	25,575	10,934,416	255,750	1,790,839	2,046,589	164,920	8.06%	0.01508	1.00378	0.01514
COMMERCIAL LARGE VOL	117	5,071,500	5,850	701,896	707,746	57,032	8.06%	0.01125	1.00378	0.01129
INDUSTRIAL	34	846,000	3,400	41,259	44,659	3,599	8.06%	0.00217	1.00378	0.00218
FIRM TRANSPORTATION	36	5,058,000	3,600	246,679	250,279	20,168	8.06%	0.00217	1.00378	0.00218
SPECIAL CONTRACT	12	6,511,200	39,312	0	39,312	3,168	8.06%	0.00217	1.00378	0.00218
TOTAL	331,774	37,927,269	2,449,912	5,872,549	8,322,461	670,647				

*** ELECTRIC UTILITIES ***

FLORIDA POWER CORPORATION

Revised: 3/15/95
FPC95-1.WK3

	Residential	General Non-Demand	General 100% L.F.	General Demand	Curtaileable	Interruptible	Lighting	TOTAL
Demand Allocation %	61.037%	3.558%	0.095%	30.057%	0.496%	4.599%	0.157%	100.000%
Energy Allocation %	50.558%	3.714%	0.145%	37.411%	0.734%	6.780%	0.657%	100.000%
End of Period Trueup (Over)/Under Recovery Actual: Oct 93/Sep 94								(\$9,661,394)
Current Period Trueup Estimated: Oct 94/Mar 95								
Demand (O)/U Recovery	(\$1,250,784)	(\$72,914)	(\$1,943)	(\$615,945)	(\$10,166)	(\$94,250)	(\$3,221)	(\$2,049,223)
Energy (O)/U Recovery	(\$204,727)	(\$15,041)	(\$588)	(\$151,491)	(\$2,974)	(\$27,454)	(\$2,662)	(\$404,936)
Total (O)/U Recovery	(\$1,455,511)	(\$87,954)	(\$2,531)	(\$767,436)	(\$13,139)	(\$121,704)	(\$5,884)	(\$2,454,159)
Future Incremental Costs: Projected: Apr 95/Mar 96								
Demand Costs	\$43,453,111	\$2,533,070	\$67,505	\$21,398,355	\$353,171	\$3,274,305	\$111,909	\$71,191,426
Energy Costs	\$7,114,307	\$522,669	\$20,426	\$5,264,339	\$103,332	\$954,021	\$92,518	\$14,071,614
Total Projected Cost	\$50,567,419	\$3,055,739	\$87,931	\$26,662,694	\$456,503	\$4,228,327	\$204,428	\$85,263,040
Adjust: Collect/Refund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL to Recover Future Incremental Costs:	\$49,111,907	\$2,967,785	\$85,400	\$25,895,258	\$443,364	\$4,106,623	\$198,544	\$82,808,881
TOTAL Retail KWH (000) Future Incremental Revenues:	14,683,832	1,079,059	42,118	10,881,946	215,049	1,982,410	191,251	29,075,665
Costs/kWh (cents)								
Demand	0.2874068	0.2279909	0.1556613	0.1909806	0.1595009	0.1604136	0.0568300	
Energy	0.0470557	0.0470436	0.0471018	0.0469847	0.0466678	0.0467395	0.0469833	
Total	0.3344625	0.2750345	0.2027632	0.2379653	0.2061688	0.2071531	0.1038133	
Regulation Expansion Factor	1.00035	1.00035	1.00035	1.00035	1.00035	1.00035	1.00035	
Conservation Adjustment Factor (nearest .001 cent)								
	Commission - Approved Factors							
@ Secondary Voltage	0.335	0.276	0.203	0.238	0.207	0.208	0.104	
@ Primary Voltage	-	0.273	-	0.236	0.205	0.206	-	
@ Transmission Voltage	-	0.270	-	0.233	0.203	0.204	-	

*** ELECTRIC UTILITIES ***
FLORIDA POWER & LIGHT COMPANY

Revised 3/15/95
 FPL95-1 WK3

	RS 1	GS 1	GSD 1	OS 2	GSLD 1 CS 1	GSLD2 CS 2	GSLD 3 CS 3	ISST 1D	SST 1T	SST 1D	CILC D CILC G	CILC T	MET	OL 1 SL 1	SL 2	TOTAL
Demand Allocation %	59.462%	6.477%	20.329%	0.017%	6.125%	1.942%	0.872%	0.003%	0.069%	0.020%	1.491%	0.901%	0.102%	0.131%	0.059%	100.000%
Energy Allocation %	52.097%	6.472%	23.392%	0.028%	9.928%	2.541%	1.201%	0.003%	0.103%	0.037%	2.122%	1.327%	0.110%	0.553%	0.086%	100.000%
End of Period Trueup (Over)/Under Recovery Actual: Oct 93/Sep 94																(\$3,795,705)
Estimated: Oct 94/Mar 95																(\$2,144,385)
Projected: Apr 95/Mar 98																\$173,287,833
Less Load Management Credit -- No Tax Expansion																(\$30,390,729)
Subtotal																\$140,752,519
Regulation Expansion Factor																1.01609
Subtotal																\$143,017,227
Add Back Load Management Credit																\$30,390,729
Future Incremental Costs: Projected: Apr 95/Mar 98 Demand Allocate 12CP	\$58,821,509	\$6,407,156	\$20,109,958	\$16,966	\$8,037,161	\$1,920,898	\$862,710	\$2,756	\$68,255	\$19,751	\$1,475,061	\$891,594	\$100,637	\$129,696	\$58,452	\$98,922,559
Demand Allocate 1/13th	\$4,294,642	\$533,527	\$1,928,323	\$2,322	\$818,382	\$209,488	\$99,013	\$238	\$8,488	\$3,042	\$174,954	\$109,362	\$9,109	\$45,594	\$7,087	\$8,243,558
Energy Allocate	\$34,509,976	\$4,287,204	\$15,495,209	\$18,656	\$6,576,180	\$1,683,357	\$795,631	\$1,897	\$68,193	\$24,447	\$1,405,659	\$876,787	\$73,196	\$366,294	\$56,951	\$66,241,840
Total Projected Cost	\$97,626,128	\$11,227,887	\$37,533,491	\$37,947	\$15,431,723	\$3,813,742	\$1,757,354	\$4,890	\$144,934	\$47,240	\$3,055,673	\$1,879,743	\$182,942	\$541,573	\$122,490	\$173,407,957
TOTAL Retail KWH (000) Future Incremental Revenues As Projected at Meter	38,904,074	4,833,086	17,469,298	21,496	7,422,465	1,910,655	935,387	2,139	80,171	27,860	1,591,794	1,033,149	84,322	412,933	64,203	\$74,793,232
Conservation Adjustment Factor (nearest .001 cent)	0.251	0.222	0.215	0.177	0.208	0.200	0.188	0.229	0.181	0.170	0.192	0.182	0.217	0.131	0.191	
Commission - Approved Factors																

*** ELECTRIC UTILITIES ***

TAMPA ELECTRIC COMPANY

Revised: 3/15/95
 TEC095--1.WK3

	Residential	General Service Non-Demand	General Service Demand	General Service Large Demand	Lighting	TOTAL
Demand Allocation %	57.820%	7.430%	24.260%	10.290%	0.200%	100.000%
Energy Allocation %	49.220%	6.810%	29.460%	13.540%	0.970%	100.000%
End of Period Trueup (Over)/Under Recovery Actual: Oct 93/Sep 94						(\$545,918)
Current Period Trueup Estimated: Oct 94/Mar 95						
Demand Costs	(\$120,870)	(\$15,532)	(\$50,715)	(\$21,511)	(\$418)	(\$209,046)
Energy Costs	(\$40,259)	(\$5,570)	(\$24,097)	(\$11,075)	(\$793)	(\$81,794)
Total Projected Cost	(\$161,129)	(\$21,102)	(\$74,811)	(\$32,586)	(\$1,211)	(\$290,840)
Future Incremental Costs: Projected: Apr 95/Mar 96						
Demand Costs	\$7,200,197	\$932,952	\$3,046,219	\$1,292,069	\$25,113	\$12,556,550
Energy Costs	\$2,356,466	\$326,037	\$1,410,434	\$648,244	\$46,440	\$4,787,623
Total Projected Cost	\$9,616,665	\$1,258,989	\$4,456,653	\$1,940,313	\$71,553	\$17,344,173
Adjust: Collect/Refund	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL to Recover Future Incremental Costs:	\$9,455,536	\$1,237,887	\$4,251,661	\$1,225,357	\$70,342	\$17,053,333
@ Primary Voltage			\$130,180	\$682,370		
TOTAL Retail KWH (000) Future Incremental Revenues:	6,176,052	854,793	3,589,109	1,102,130	121,355	11,843,439
@ Primary Voltage			111,003	619,948		
Costs/kWh (cents)						
Demand	0.1156	0.1073			0.0203	
Energy	0.0375	0.0375			0.0376	
Total Secondary Voltage	0.1531	0.1448	0.1185	0.1112	0.0580	
Total Primary Voltage			0.1173	0.1101		
Regulation Expansion Factor	1.00083	1.00083	1.00083	1.00083	1.00083	
Conservation Adjustment Factor (nearest .001 cent)		Commission - Approved Factors				
@ Secondary Voltage	0.153	0.145	0.118	0.111	0.058	
@ Primary Voltage	-	-	0.117	0.110	-	

*** ELECTRIC UTILITIES ***

Revised: 3/15/95
 FEB-95-2.WK3

	GULF POWER COMPANY			FLORIDA PUBLIC UTILITIES COMPANY					
	Company's Position	Commission Vote	difference	Marianna Division			Fernandina Beach Division		
				Company's Position	Commission Vote	difference	Company's Position	Commission Vote	difference
End of Period Trueup (Over)/Under Recovery Actual: Oct 93/Sep 94	(\$98,385)	(\$98,385)	0	(\$3,528)	(\$3,528)	0	(\$3,385)	(\$3,385)	0
Current Period True-up (Over)/Under Recovery Estimated: Oct 94/Mar 95	\$59,934	\$59,934	0	\$23,058	\$23,058	0	\$17,606	\$17,606	0
Future Incremental Costs: Projected: Apr 95/Mar 96	\$2,112,896	\$2,112,896	0	\$23,700	\$23,700	0	\$18,300	\$18,300	0
TOTAL to Recover Projected: Apr 95/Mar 96	\$2,172,830	\$2,172,830	0	\$46,758	\$46,758	0	\$35,906	\$35,906	0
Retail KWH (000) Projected: Apr 95/Mar 96	8,401,626	8,401,626	0	264,027	264,027	0	306,301	306,301	0
Cost/KWH (cents)	0.02586201421	0.02586201421	0	0.01770955243	0.01770955243	0	0.01172245602	0.01172245602	0
Revenue Tax Adjustment Factor	1.01609	1.01609	0	1.0008300	1.0008300	0	1.0160900	1.0160900	0
Conservation Adjustment Factor nearest .001 cent	0.026	0.026	0	0.018	0.018	0	0.012	0.012	0