

ORIGINAL



David M. Nicholson
Senior Corporate Counsel
702 North Franklin Street
Tampa, Florida 33602
Direct: (813) 228-1556
Fax: (813) 228-1328
E-Mail: dmnicolson@tecoenergy.com

September 26, 2003

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
03 SEP 26 AM 10:38
COMMISSION
CLERK

Re: **Docket No. 030004-GU – Energy Conservation Cost Recovery
Petition of Peoples Gas System for Approval of True-Up Amounts
and Conservation Cost Recovery Factors**

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System ("Peoples"), please find an original and ten copies of its Petition for Approval of True-Up Amounts and Conservation Cost Recovery Factors.

Enclosed also for filing on behalf of Peoples, please find ten copies of the Direct Testimony of Kandi Floyd (including diskette containing testimony in MS Word), and Exhibits KMF-1, KMF-2, KMF-3 and KMF-4 to Ms. Floyd's testimony.

Please acknowledge your receipt and filing of the enclosures on the duplicate copy of this letter and returning same to the undersigned in the enclosed pre-addressed envelope.

Thank you for your assistance.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Sincerely,

David M. Nicholson
Senior Corporate Counsel

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC _____
- OTH _____

5+ 1 original

Enclosures

cc: Ms. Angie Llewellyn
Ms. Kandi Floyd
All Parties of Record

DOCUMENT NUMBER-DATE

09244 SEP 26 8

FPSC-COMMISSION CLERK
(800) 282-4441
HTTP://WWW.TECOENERGY.COM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation : DOCKET NO. 030004-GU
Cost Recovery :
: Submitted for Filing: 9-26-03

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF TRUE-UP AMOUNTS
AND CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), by its undersigned attorneys and pursuant to Rule 25-17.015, Florida Administrative Code, petitions the Commission for approval of (A) its end-of-period final energy conservation cost recovery true-up amounts for the period January 1 through December 31, 2002, and (B) its conservation cost recovery factors for the period January 1 through December 31, 2004, and in support thereof says:

1. The name and address of the Petitioner are:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

2. The persons to whom notices, orders, and pleadings in this docket should be addressed are:

Matthew R. Costa, Esquire
Peoples Gas System
702 North Franklin Street
P.O. Box 111
Tampa, Florida 33601-0111

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
400 North Tampa Street, Suite 2300
P.O. Box 1531
Tampa, Florida 33601-1531

Angela Llewellyn
Peoples Gas System
702 North Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562

3. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Exhibits ____ (KMF-1), covering Peoples' divisions other than the West Florida Region, and ____ (KMF-2), covering Peoples' West Florida Region, and in the direct testimony of PGS witness Kandi M. Floyd, which testimony is filed herewith. Each of the exhibits mentioned above consists of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. Exhibits ____ (KMF-1) and ____ (KMF-2) are submitted for filing with this Petition.

4. For the period January through December 2002, Peoples has calculated its end-of-period final true-up amount for its divisions other than the West Florida Region to be an underrecovery, including principal and interest, of \$380,930. For the same period, the end-of-period final true-up amount for the West Florida Region, including principal and interest, is an underrecovery of \$530,074.

5. The conservation cost recovery factors for which approval is sought were calculated in accordance with the methodology previously approved by the Commission in this docket. The factors are designed to recover the projected conservation program expenses of Peoples for the period January 1 through December 31, 2004, adjusted for the estimated true-up for the period January through December 2003, as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in Exhibits ____ (KMF-3), covering Peoples' divisions other than the West Florida Region ____ (KMF-4), covering Peoples' West Florida Region, and the direct testimony of PGS witness Kandi M. Floyd, which testimony and exhibits are being filed simultaneously with this Petition.

6. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses of \$8,807,507 for the period January 1 through December 31, 2004. The estimated true-up for these divisions is an underrecovery of \$737,849. After increasing the projected conservation expenses by the amount of this underrecovery, \$9,545,356 remains to be recovered during the January through December 2004 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission and expanded for taxes, the recovery factors for the period January through December 2004 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.06977
Small General Service	\$0.06217
General Service 1	\$0.02291
General Service 2	\$0.01863
General Service 3	\$0.01567
General Service 4	\$0.01414
General Service 5	\$0.00800
Commercial Street Lighting	\$0.01000
Natural Gas Vehicle Service	\$0.01188

7. For Peoples' West Florida Region, Peoples projects total conservation program expenses of \$2,010,800 for the period January 1 through December 31, 2004. The estimated true-up for the West Florida Region is an underrecovery of \$921,916. After increasing the projected conservation expenses by the amount of this underrecovery, \$2,932,716 remains to be recovered during the January through December 2004 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January through December 2004 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.14390
Small General Service	\$0.12690
General Service 1	\$0.05427
General Service 2	\$0.04297
General Service 3	\$0.03597
General Service 4	\$0.03246
General Service 5	\$0.01807
Commercial Street Lighting	\$0.02293
Natural Gas Vehicle Service	\$0.00000

WHEREFORE, based on the foregoing, Peoples Gas System respectfully requests that the Commission grant this Petition and approve:

A. the underrecovery of \$380,930 as the final true-up amount for the January through December 2002 period in Peoples' divisions other than the West Florida Region; and

B. the underrecovery of \$530,074 as the final true-up amount for the January through December 2002 period in Peoples' West Florida Region.

C. the conservation adjustment factors for the period January 1 through December 31, 2004 set forth in paragraph 6 of this Petition to be applied in Peoples' divisions other than the West Florida Region; and

D. the conservation adjustment factors for the period January 1 through December 31, 2004 set forth in paragraph 7 of this Petition to be applied in Peoples' West Florida Region.

Respectfully submitted,



David M. Nicholson, Esquire
Senior Corporate Counsel
TECO ENERGY, INC.
P. O. Box 111, Tampa, Florida 33601
(813) 228-4938

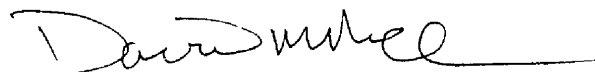
and

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
P.O. Box 1531, Tampa, Florida 33601
(813) 273-4321

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition of Peoples Gas System and Peoples' Exhibits ____ (KMF-1), ____ (KMF-2), ____ (KMF-3) and ____ (KMF-4) has been furnished this 25th day of September, 2003, by regular U.S. Mail, to all known parties of record in this docket.



David M. Nicholson

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KANDI M. FLOYD**

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

8
9 A. My name is Kandi M. Floyd. My business address is Peoples Gas System, 702 North
10 Franklin Street, P.O. Box 2562, Tampa, Florida 33601-2562. I am employed by
11 Peoples Gas System ("Peoples" or "Company") and am the Manager of State
12 Regulatory.

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

15
16 A. I have a Bachelor of Arts Degree in Business Administration from Saint Leo College.
17 From 1995 to 1997, I was employed in a series of positions within the regulatory
18 affairs department of Tampa Electric Company. In 1998, I joined Peoples Gas System
19 as a Regulatory Coordinator in the Regulatory and Gas Supply Department. In 2001, I
20 became the Energy Conservation / Regulatory Administrator and in 2003 became the
21 Manager of State Regulatory for Peoples Gas System. In this role, I am responsible
22 for coordinating and overseeing all Energy Conservation Cost Recovery ("ECCR")
23 Clause activities along with various Regulatory activities for Peoples.

24
25 Q. What is the purpose of your testimony in this docket?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A. My testimony addresses Peoples' conservation programs, the expenses that Peoples has incurred, the revenues recovered by Peoples through the ECCR clause from January 2003 through August 2003, and the costs that Peoples seeks to recover through the ECCR clause in 2004. My testimony supports the conservation programs of both Peoples Gas System, Inc. and the former West Florida Natural Gas Company. I will hereinafter refer to the former West Florida Natural Gas Company territory as Peoples' "West Florida Region."

First, my testimony describes generally the actual and projected expenditures made for the purpose of implementing, promoting and operating Peoples' energy conservation programs for the current period. This information includes the adjusted net true-up amounts associated with those programs for the period January 2002 through December 2002. Next, my testimony addresses the actual costs incurred in January 2003 through August 2003, and revised projections of program costs that Peoples expects to incur from September 2003 through December 2003. In addition, my testimony presents projected conservation program costs for the period January 2004 through December 2004.

Finally, my testimony presents the calculation of the conservation cost recovery adjustment factors to be applied to customers' bills during the period beginning with the first billing cycle for January 2004 and continuing through the last billing cycle for December 2004.

Q. Are you sponsoring any exhibits with your testimony?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A. Yes. I am sponsoring four exhibits produced under my direction and supervision. Exhibit ____ (KMF-1) contains the conservation cost recovery true-up data for the period January 2002 through December 2002 for Peoples' non-West Florida Region, and Exhibit ____ (KMF-2) contains similar information for the same period for the West Florida Region. Exhibit ____ (KMF-3) contains the conservation cost recovery true-up data for the period January 2003 through August 2003 as well as reprojected expenses for the period September 2003 through December 2003 for Peoples' non-West Florida Region, and Exhibit ____ (KMF-4) contains similar information for the West Florida Region. In addition, Exhibit ____ (KMF-3) consists of Schedules C-1 through C-5, which contain information related to the calculation of the ECCR factors to be applied to customers' bills during the period January 2004 through December 2004 in Peoples' non-West Florida Region. Exhibit ____ (KMF-4) contains the same schedules and similar information for Peoples' West Florida Region.

Q. Have you prepared schedules showing the expenditures associated with Peoples' energy conservation programs for the period January 2002 through December 2002?

A. Yes. Actual expenses for the period January 2002 through December 2002 for Peoples' non-West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-1). Actual expenses for that period for the West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-2). In each of these exhibits, Schedule CT-2, page 1 presents a comparison of the actual program costs and true-up amount to the projected costs and true-up amount for the same period.

1 Q. What are the Company's true-up amounts for the period January 2002 through
2 December 2002?

3
4 A. With respect to Peoples' non-West Florida Region, as shown on Schedule CT-1 of
5 Exhibit ____ (KMF-1), the end-of-period net true-up for the period is an
6 underrecovery of \$380,930 including both principal and interest. The projected true-up
7 for the period, as approved by Commission Order No. PSC-02-1737-FOF-EG, was an
8 underrecovery of \$542,060 (including interest). Subtracting the projected true-up
9 underrecovery from the actual underrecovery yields the adjusted net true-up of
10 \$161,130 overrecovery (including interest).

11
12 With respect to Peoples' West Florida Region, as shown on Schedule CT-1 of Exhibit
13 ____ (KMF-2), the end-of-period net true-up for the period is an underrecovery of
14 \$530,074 including both principal and interest. The projected true-up for the period, as
15 approved by Commission Order No. PSC-02-1737FOF-EG, was an underrecovery of
16 \$853,520 (including interest). Subtracting the projected true-up underrecovery from
17 the actual underrecovery yields the adjusted net true-up of \$323,446 overrecovery
18 (including interest).

19
20 Q. Have you prepared summaries of the Company's conservation programs and the
21 projected costs associated with these programs?

22
23 A. Yes. Summaries of the Company's programs in the non-West Florida Region are
24 presented in Exhibit ____ (KMF-3), Schedule C-5. Summaries of the programs in the
25 West Florida Region are presented in Exhibit ____ (KMF-4), Schedule C-5.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q. Have you prepared schedules required for the calculation of Peoples' proposed conservation adjustment factors to be applied during the billing periods from January 2004 through and including December 2004?

A. Yes. Schedule C-3 of Exhibit ____ (KMF-3) (for the non-West Florida Region) and Exhibit ____ (KMF-4) (for the West Florida Region) show actual expenses for the period January 2003 through August 2003 and projected expenses for the period September 2003 through December 2003.

Projected expenses for the January 2004 through December 2004 period are shown on Schedule C-2 of Exhibits ____ (KMF-3) and ____ (KMF-4). The total annual cost projected represents a continuation of Peoples' active expansion of the availability of natural gas throughout the state of Florida. Schedule C-1 of both exhibits shows the calculation of the conservation adjustment factors. The estimated true-up amount from Schedule C-3 (Page 4) of Exhibit ____ (KMF-3) being an underrecovery, and Exhibit ____ (KMF-4) being an underrecovery, were incorporated into the totals of the projected costs for the January 2004 through December 2004 period. The resulting totals of \$9,545,356 (for the non-West Florida Region) and \$2,932,716 (for the West Florida Region) are the total expenses to be recovered during calendar year 2004. These total expenses were then allocated to the Company's affected rate classes pursuant to the methodology approved by the Commission, divided by the expected consumption of each rate class, and then adjusted for the regulatory assessment fee.

Schedule C-1 of Exhibit ____ (KMF-3) shows the resulting estimated ECCR revenues

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

and adjustment factors by rate class for Peoples' non-West Florida Region for the period January 2004 through December 2004. Schedule C-1 of Exhibit ____ (KMF-4) shows the resulting estimated ECCR revenues and adjustment factors by rate class for Peoples' West Florida Region for the same period.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

INDEX

<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
KMF-1	CT Schedules Except West Florida Region	8
KMF-2	CT Schedules West Florida Region	25
KMF-3	C Schedules Except West Florida Region	40
KMF-4	C Schedules West Florida Region	57

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

ADJUSTED NET TRUE-UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPAL	388,113	
INTEREST	<u>-7,183</u>	380,930

LESS PROJECTED TRUE-UP

PRINCIPAL	548,347	
INTEREST	<u>-6,287</u>	<u>542,060</u>

ADJUSTED NET TRUE-UP		<u>-161,130</u>
----------------------	--	-----------------

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	375,844	402,911	-27,067
MATERIALS & SUPPLIES	2,699	8,614	-5,915
ADVERTISING	1,250,603	1,221,413	29,190
INCENTIVES	7,512,006	7,171,023	340,983
OUTSIDE SERVICES	2,691	13,602	-10,911
VEHICLES	0	0	0
OTHER	<u>-8,293</u>	<u>12,455</u>	<u>-20,748</u>
SUB-TOTAL	9,135,550	8,830,018	305,532
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	9,135,550	8,830,018	305,532
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,747,437	-8,281,670	-465,767
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	388,113	548,348	-160,235
INTEREST PROVISION	<u>-7,183</u>	<u>-6,287</u>	<u>-896</u>
END OF PERIOD TRUE-UP	<u>380,930</u>	<u>542,061</u>	<u>-161,131</u>

() REFLECTS OVER-RECOVERY
*9 MONTHS ACTUAL AND 3 MONTHS PROJECTED

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	6,766,847	0	0	0	6,766,847
PROGRAM 2: WATER HEATER LOAD RET	0	0	0	223,500	0	0	0	223,500
PROGRAM 3: OIL HEAT REPLACEMENT	0	0	0	4,950	0	0	0	4,950
PROGRAM 4: SMALL PKG COGEN	0	0	0	0	0	0	0	0
PROGRAM 5: COMM ELECTRIC REPLACEMENT	0	0	0	82,409	0	0	0	82,409
PROGRAM 6: RES ELECTRIC REPLACEMENT	0	0	0	316,100	0	0	0	316,100
PROGRAM 7: COMMON COST	375,844	2,699	1,250,603	0	2,691	0	-8,293	1,623,544
PROGRAM 8: GAS SPACE CONDITIONING	0	0	0	118,200	0	0	0	118,200
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 11 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	375,844	2,699	1,250,603	7,512,006	2,691	0	-8,293	9,135,550

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	323,463	0	0	0	323,463
PROGRAM 2: WATER HEATER LOAD RET	0	0	0	-2,246	0	0	0	-2,246
PROGRAM 3: OIL HEAT REPLACEMENT	0	0	0	-3,840	0	0	0	-3,840
PROGRAM 4: SMALL PKG COGEN	0	0	0	-9,999	0	0	0	-9,999
PROGRAM 5: COMM ELECTRIC REPLACEMENT	0	0	0	1,771	0	0	0	1,771
PROGRAM 6: RES ELECTRIC REPLACEMENT	0	0	0	-28,490	0	0	0	-28,490
PROGRAM 7: COMMON COST	-27,067	-5,915	29,190	0	-10,911	0	-20,748	-35,451
PROGRAM 8: GAS SPACE CONDITIONING	0	0	0	60,324	0	0	0	60,324
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	-27,067	-5,915	29,190	340,983	-10,911	0	-20,748	305,532

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
PROGRAM 1:	459,540	718,157	371,340	365,500	774,655	841,750	389,290	483,995	437,390	424,295	520,215	980,720	6,766,847
PROGRAM 2:	15,400	21,000	21,800	22,000	19,200	19,100	18,700	19,400	17,600	16,100	14,000	19,200	223,500
PROGRAM 3:	990	0	660	660	330	0	660	330	660	330	0	330	4,950
PROGRAM 4:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	44,780	3,240	3,652	4,560	-39,360	11,848	8,540	3,200	2,444	35,580	3,925	0	82,409
PROGRAM 6:	21,715	37,623	37,087	31,470	32,825	24,488	18,567	21,790	26,375	23,447	18,840	21,873	316,100
PROGRAM 7:	204,866	178,621	88,373	155,405	126,427	84,342	120,214	67,592	182,977	100,849	86,325	227,552	1,623,544
PROGRAM 8:	0	0	15,000	21,000	0	0	0	9,375	0	54,000	4,500	14,325	118,200
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550

12

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	<u>-988,594</u>	<u>-840,867</u>	<u>-916,003</u>	<u>-915,338</u>	<u>-444,804</u>	<u>-590,919</u>	<u>-560,811</u>	<u>-534,362</u>	<u>-564,931</u>	<u>-532,703</u>	<u>-622,198</u>	<u>-883,381</u>	<u>-8,394,910</u>
4. TOTAL REVENUES	<u>-988,594</u>	<u>-840,867</u>	<u>-916,003</u>	<u>-915,338</u>	<u>-444,804</u>	<u>-590,919</u>	<u>-560,811</u>	<u>-534,362</u>	<u>-564,931</u>	<u>-532,703</u>	<u>-622,198</u>	<u>-883,381</u>	<u>-8,394,910</u>
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-29,377</u>	<u>-352,527</u>
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-1,017,971</u>	<u>-870,244</u>	<u>-945,381</u>	<u>-944,715</u>	<u>-474,182</u>	<u>-620,297</u>	<u>-590,188</u>	<u>-563,739</u>	<u>-594,308</u>	<u>-562,080</u>	<u>-651,576</u>	<u>-912,759</u>	<u>-8,747,437</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550
8. TRUE-UP THIS PERIOD	-270,680	88,396	-407,468	-344,120	439,895	361,231	-34,216	41,943	73,139	92,521	-3,770	351,241	388,113
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-700	-786	-986	-1,500	-1,376	-748	-460	-408	-287	-123	-16	205	-7,183
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-352,527	-594,529	-477,542	-856,619	-1,172,861	-704,964	-315,103	-320,403	-249,490	-147,261	-25,485	106	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	<u>29,377</u>	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>-594,529</u>	<u>-477,542</u>	<u>-856,619</u>	<u>-1,172,861</u>	<u>-704,964</u>	<u>-315,103</u>	<u>-320,403</u>	<u>-249,490</u>	<u>-147,261</u>	<u>-25,485</u>	<u>106</u>	<u>380,930</u>	<u>380,930</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
1. BEGINNING TRUE-UP	-352,527	-594,529	-477,542	-856,619	-1,172,861	-704,964	-315,103	-320,403	-249,490	-147,261	-25,485	106	
2. ENDING TRUE-UP BEFORE INTEREST	-593,829	-476,756	-855,633	-1,171,361	-703,588	-314,356	-319,943	-249,082	-146,974	-25,363	121	380,724	
3. TOTAL BEGINNING & ENDING TRUE-UP	-946,356	-1,071,285	-1,333,174	-2,027,980	-1,876,449	-1,019,320	-635,046	-569,485	-396,465	-172,624	-25,364	380,830	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-473,178	-535,643	-666,587	-1,013,990	-938,225	-509,660	-317,523	-284,743	-198,232	-86,312	-12,682	190,415	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-700	-786	-986	-1,500	-1,376	-748	-460	-408	-287	-123	-16	205	-7,183

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Residential Home Builder Program

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:	Gas Water Heater.....	\$250
	Gas Furnace.....	\$250
	Gas Range.....	\$85
	Gas Dryer.....	\$85

Program Summary

New Home Goal:	10,068
New Homes Connected:	10,573
Variance:	-505
Percent of Goal:	105.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$6,443,384
Actual Cost:	\$6,766,847
Variance:	-\$323,463

15

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Water Heater Load Retention Program

Description: This program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Energy Efficient Gas Water Heater..... \$100

Program Summary

Goals:	2,257
Actual:	2,235
Variance:	22
Percent of Goal:	99.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$225,746
Actual Cost:	\$223,500
Variance:	\$2,246

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Replacement of Oil Heating Program

Description: This program is designed to encourage customers to convert their existing Oil Burning Heating system to energy efficient natural gas heating so as to discourage those customers from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

Program Allowances: Energy Efficient Gas Furnaces..... \$330

Program Summary

Goals:	27
Actual:	15
Variance:	12
Percent of Goal:	56.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$8,790
Actual Cost:	\$4,950
Variance:	\$3,840

17

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Small Package Cogeneration Program

Description: This program is designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. A cogeneration feasibility audit will be made available to commercial and industrial customers interested in workshops. Direct mail and personal contacts will be used to promote the cogeneration computer audit program and to assist Peoples customers in completing forms for the computer audit.

Program Summary

Goals:	2
Actual:	3
Variance:	-1
Percent of Goal:	150.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$9,999
Actual Cost:	\$0
Variance:	\$9,999

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Commercial Electric Replacement Program

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment

Program Allowances: For every KW Displaced (KWD) \$40
Each customer will be allowed a maximum \$4,000

Program Summary

Program Goal	Projected KWD displaced this period	2,873
	Actual KWD displaced this period	4,178
Variance:		-1,305
Percent of Goal:		145.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$80,638
Actual Cost:	\$82,409
Variance:	-\$1,771

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Residential Electric Replacement Program

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Program Allowances:	Natural Gas	\$440
	Natural Gas	\$440
	Natural Gas	\$75
	Natural Gas	\$75
	Natural Gas	\$65

Program Summary

Program Goal:	600
Program Accomplishments:	551
Variance:	50
Percent of Goal:	91.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$344,590
Actual Cost:	\$316,100
Variance:	\$28,490

20

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,658,995
Actual Cost:	\$1,623,544
Variance:	\$35,451

COMPANY: PEOPLES GAS SYSTEM

Except West Florida Region

Exhibit No. _____

Docket No. 030004-GU

KMF-1

Program Progress ReportReporting Period: JANUARY 2002 THROUGH DECEMBER 2002Name: Gas Space Conditioning Program

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: Each customer is allowed 100 tons maximum paid \$150 /ton

Program Summary

Goals:	386
Actual:	788 tons
Variance:	-402
Percent of Goal:	204.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$57,876
Actual Cost:	\$118,200
Variance:	-\$60,324

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Program Monitoring, Evaluation and Reaserch Demonstration

Program Summary: The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs

Conservation Cost Variance - Actual Vs. Projected

Projected Cost: \$0

Actual Cost: \$0

Variance: \$0

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Residential Conservation Service Program

Description: This program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk Through Audits

Customer Audit Charges:	Class "A" Audit.....	\$15
	Walk-Through Audit.....	No Charge
	Mini-Walk Through Audit	No Charge

Program Summary

Program Goal:	0
Program Accomplishments:	0
Variance:	0
Percent of Goal:	0.0%

The Company has not had a request for an energy audit during this period.

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM

West Florida Region

Exhibit No. _____

Docket No. 030004-GU

KMF-2

ADJUSTED NET TRUE-UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPAL	517,977	
INTEREST	<u>12,097</u>	530,074

LESS PROJECTED TRUE-UP

PRINCIPAL	840,554	
INTEREST	<u>12,966</u>	<u>853,520</u>

ADJUSTED NET TRUE-UP		<u>-323,446</u>
----------------------	--	-----------------

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	57,620	56,359	1,261
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	171,092	175,049	-3,957
INCENTIVES	1,399,339	1,501,544	-102,205
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>5,000</u>	<u>-5,000</u>
SUB-TOTAL	1,628,051	1,737,952	-109,901
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	1,628,051	1,737,952	-109,901
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-1,110,074	-897,398	-212,676
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	517,977	840,554	-322,577
INTEREST PROVISION	<u>12,097</u>	<u>12,966</u>	<u>-869</u>
END OF PERIOD TRUE-UP	<u>530,074</u>	<u>853,520</u>	<u>-323,446</u>

() REFLECTS OVER-RECOVERY
*9 MONTHS ACTUAL AND 3 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	1,277,600	0	0	0	1,277,600
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	8,300	0	0	0	8,300
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	52,500	0	0	0	52,500
PROGRAM 4: COMM ELECTRIC REPLACEME	0	0	0	12,189	0	0	0	12,189
PROGRAM 5: RES ELECTRIC REPLACEMEN	0	0	0	38,750	0	0	0	38,750
PROGRAM 6: COMMON COSTS	57,620	0	171,092	0	0	0	0	228,712
PROGRAM 7: GAS SPACE COND	0	0	0	10,000	0	0	0	10,000
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	57,620	0	171,092	1,399,339	0	0	0	1,628,051

27

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	-90,945	0	0	0	-90,945
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	-4,401	0	0	0	-4,401
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	6,992	0	0	0	6,992
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-4,250	0	0	0	-4,250
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-5,851	0	0	0	-5,851
PROGRAM 6: COMMON COSTS	1,261	0	-3,957	0	0	0	-5,000	-7,696
PROGRAM 7: GAS SPACE COND	0	0	0	-3,750	0	0	0	-3,750
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	1,261	0	-3,957	-102,205	0	0	-5,000	-109,901

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
PROGRAM 1:	93,950	86,600	149,400	90,300	95,600	56,850	149,650	110,100	202,900	88,400	126,650	27,200	1,277,600
PROGRAM 2:	1,000	-300	1,050	1,250	500	1,550	500	450	950	650	600	100	8,300
PROGRAM 3:	3,900	5,500	4,200	5,200	2,100	2,500	6,000	2,600	3,800	8,600	6,300	1,800	52,500
PROGRAM 4:	4,230	0	720	0	0	439	1,200	600	3,000	2,000	0	0	12,189
PROGRAM 5:	2,000	2,950	3,950	6,850	4,150	5,900	500	1,400	4,250	3,550	2,350	900	38,750
PROGRAM 6:	23,113	27,426	13,606	21,751	19,272	10,208	18,188	12,478	19,750	17,720	22,188	23,012	228,712
PROGRAM 7:	0	0	0	10,000	0	0	0	0	0	0	0	0	10,000
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	128,193	122,176	172,926	135,351	121,622	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	128,193	122,176	172,926	135,351	121,622	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	<u>-322,065</u>	<u>-271,931</u>	<u>-274,979</u>	<u>-274,435</u>	<u>-57,638</u>	<u>-121,588</u>	<u>-121,546</u>	<u>-118,419</u>	<u>-129,150</u>	<u>-125,472</u>	<u>-147,096</u>	<u>-284,365</u>	<u>-2,248,684</u>
4. TOTAL REVENUES	<u>-322,065</u>	<u>-271,931</u>	<u>-274,979</u>	<u>-274,435</u>	<u>-57,638</u>	<u>-121,588</u>	<u>-121,546</u>	<u>-118,419</u>	<u>-129,150</u>	<u>-125,472</u>	<u>-147,096</u>	<u>-284,365</u>	<u>-2,248,684</u>
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>1,138,610</u>
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-227,181</u>	<u>-177,047</u>	<u>-180,095</u>	<u>-179,551</u>	<u>37,246</u>	<u>-26,704</u>	<u>-26,662</u>	<u>-23,535</u>	<u>-34,266</u>	<u>-30,588</u>	<u>-52,212</u>	<u>-189,481</u>	<u>-1,110,074</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	128,193	122,176	172,926	135,351	121,622	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051
8. TRUE-UP THIS PERIOD	-98,988	-54,871	-7,169	-44,200	168,868	50,743	149,376	104,093	200,384	90,332	105,876	-136,469	517,977
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	1,541	1,278	1,105	928	866	882	881	918	1,010	1,066	927	696	12,097
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	1,138,610	946,279	797,802	696,853	558,697	623,548	580,289	635,662	645,789	752,298	748,812	760,731	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>946,279</u>	<u>797,802</u>	<u>696,853</u>	<u>558,697</u>	<u>623,548</u>	<u>580,289</u>	<u>635,662</u>	<u>645,789</u>	<u>752,298</u>	<u>748,812</u>	<u>760,731</u>	<u>530,074</u>	<u>530,074</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
1. BEGINNING TRUE-UP	1,138,610	946,279	797,802	696,853	558,697	623,548	580,289	635,662	645,789	762,298	748,812	760,731	
2. ENDING TRUE-UP BEFORE INTEREST	944,738	796,524	695,749	557,769	622,681	579,407	634,781	644,871	751,289	747,746	759,804	529,378	
3. TOTAL BEGINNING & ENDING TRUE-UP	2,083,348	1,742,803	1,493,551	1,254,623	1,181,379	1,202,954	1,215,070	1,280,533	1,397,077	1,500,045	1,508,616	1,290,110	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	1,041,674	871,401	746,775	627,311	590,689	601,477	607,535	640,266	698,539	750,022	754,308	645,055	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	1,541	1,278	1,105	928	866	882	881	918	1,010	1,066	927	696	12,097

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Residential Home Builder Program

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:	Gas Water Heater.....	\$150
	Gas Furnace.....	\$250
	Gas Range.....	\$100
	Gas Dryer.....	\$100

Program Summary

New Home Goal:	2,281
New Homes Connected:	<u>2,129</u>
Variance:	152
Percent of Goal:	93.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,368,545
Actual Cost:	\$1,277,600
Variance:	\$90,945

32

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: ENERGY SAVINGS PAYBACK PROGRAM

Description: This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances and will focus on water heaters, central heaters, ranges and dryers. Installation allowances are added to the program to encourage customers to consider the extra expense of energy efficient natural gas appliances in lieu of standard gas or electric appliances

Installation allowance is \$50 00 per appliance

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$12,701
Actual Cost:	\$8,300
Variance:	\$4,401

Program Progress Report

Reporting Period: **JANUARY 2002 THROUGH DECEMBER 2002**

Name: **Water Heater Load Retention Program**

Description: This program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Energy Efficient Gas Water Heater..... \$100

Program Summary

Goals:	455
Actual:	525
Variance:	-70
Percent of Goal:	115.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$45,508
Actual Cost:	\$52,500
Variance:	-\$6,992

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Commercial Electric Replacement Program

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances: For every KW Displaced (KWD) \$30

Program Summary

Goals:	548
Actual:	406
Variance:	142
Percent of Goal:	74.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$16,439
Actual Cost:	\$12,189
Variance:	\$4,250

35

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Residential Electric Replacement Program

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances

Water Heater	\$250
Furnace	\$500
Range	\$150
Dryer	\$150
Space Heater	\$150

Program Summary

Goals:	37
Actual:	32
Variance:	5
Percent of Goal:	86.9%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$44,601
Actual Cost:	\$38,750
Variance:	\$5,851

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$236,408
Actual Cost:	\$228,712
Variance:	\$7,696

43

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Gas Space Conditioning Program

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: Each customer is allowed 100 tons maximum paid \$150 /ton

Program Summary

Program Goal:	92
Program Accomplishments:	67
Variance:	25
Percent of Goal:	72.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$13,750
Actual Cost:	\$10,000
Variance:	\$3,750

38

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Program Monitoring, Evaluation and Reaserch Demonstration

Program Summary: The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs.

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	8,807,507
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	737,849
3. TOTAL (LINE 1 AND LINE 2)	9,545,356

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS	2,828,029	54,543,204	28,280,290	20,544,789	48,825,079	3,786,268	7.75476%	0.06942	1.00503	0.06977
SGS	58,103	2,200,381	1,162,060	593,113	1,755,173	136,109	7.75476%	0.06186	1.00503	0.06217
GS-1	204,348	96,528,647	6,130,440	22,245,027	28,375,467	2,200,449	7.75476%	0.02280	1.00503	0.02291
GS-2	32,968	70,457,929	1,153,880	15,688,867	16,842,747	1,306,115	7.75476%	0.01854	1.00503	0.01863
GS-3	8,493	66,354,541	382,185	12,961,032	13,343,217	1,034,734	7.75476%	0.01559	1.00503	0.01567
GS-4	1,512	40,786,624	128,520	7,271,439.00	7,399,959	573,849	7.75476%	0.01407	1.00503	0.01414
GS-5	972	63,766,989	145,800	6,402,843	6,548,643	507,832	7.75476%	0.00796	1.00503	0.00800
NGVS	240	683,810	8,400.00	95,822.00	104,222	8,082	7.75476%	0.01182	1.00503	0.01188
CSLS	1,116.00	1,328,220.00	0.00	170,397.00	170,397	13,214	7.75476%	0.00995	1.00503	0.01000
TOTAL	3,134,425	394,638,315	37,383,175	85,707,110	123,090,285	9,545,356				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2004 Through December 2004

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 HOME BUILDER PROGRAM	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	\$6,601,728
2 WATER HEATER LOAD RET	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	\$224,100
3 OIL HEAT REPLACEMENT	413	413	413	413	413	413	413	413	413	413	413	413	\$4,950
4 SMALL PKG COGEN	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	\$20,000
5 COM ELECTRIC REPLACEMENT	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	\$48,389
6 RES ELECTRIC REPLACEMENT	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	\$316,540
7 COMMON COSTS	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	\$1,473,600
8 GAS SPACE CONDITIONING	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	\$118,200
9 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$8,807,507

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2004 Through December 2004

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	6,601,728	0	0	0	\$6,601,728
2 WATER HEATER LOAD RET	0	0	0	0	224,100	0	0	0	\$224,100
3 OIL HEAT REPLACEMENT	0	0	0	0	4,950	0	0	0	\$4,950
4 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
5 COM ELECTRIC REPLACEMENT	0	0	0	0	48,389	0	0	0	\$48,389
6 RES ELECTRIC REPLACEMENT	0	0	0	0	316,540	0	0	0	\$316,540
7 COMMON COSTS	0	420,500	1,000	1,050,100	0	1,000	0	1,000	\$1,473,600
8 GAS SPACE CONDITIONING	0	0	0	0	118,200	0	0	0	\$118,200
9 N/A	0	0	0	0	0	0	0	0	\$0
10 N/A	0	0	0	0	0	0	0	0	\$0
PROGRAM COSTS	\$0	\$420,500	\$1,000	\$1,050,100	\$7,333,907	\$1,000	\$0	\$1,000	\$8,807,507

42

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	4,869,139	0	0	0	4,869,139
B. ESTIMATED	0	0	0	0	2,024,336	0	0	0	2,024,336
C. TOTAL	0	0	0	0	6,893,475	0	0	0	6,893,475
2 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	151,600	0	0	0	151,600
B ESTIMATED	0	0	0	0	76,800	0	0	0	76,800
C TOTAL	0	0	0	0	228,400	0	0	0	228,400
3 OIL HEAT REPLACEMENT									
A ACTUAL	0	0	0	0	2,505	0	0	0	2,505
B ESTIMATED	0	0	0	0	3,332	0	0	0	3,332
C TOTAL	0	0	0	0	5,837	0	0	0	5,837
4 SMALL PKG COGEN									
A ACTUAL	0	0	0	0	5,000	0	0	0	5,000
B. ESTIMATED	0	0	0	0	13,332	0	0	0	13,332
C. TOTAL	0	0	0	0	18,332	0	0	0	18,332
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	45,912	0	0	0	45,912
B ESTIMATED	0	0	0	0	49,056	0	0	0	49,056
C TOTAL	0	0	0	0	94,968	0	0	0	94,968
6 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	191,213	0	0	0	191,213
B ESTIMATED	0	0	0	0	132,380	0	0	0	132,380
C. TOTAL	0	0	0	0	323,593	0	0	0	323,593
SUB-TOTAL	0	0	0	0	7,564,605	0	0	0	7,564,605

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2003 Through December 2003

8 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	7,564,605	0	0	0	7,564,605
7. COMMON COSTS									
A. ACTUAL	0	295,135	394	497,166	0	260	0	565	793,520
B. ESTIMATED	0	125,359	6,667	378,108	0	3,333	0	516,800	516,800
C. TOTAL	0	420,494	7,061	875,274	0	3,593	0	3,898	1,310,320
8. GAS SPACE CONDITIONING									
A ACTUAL	0	0	0	0	16,875	0	0	0	16,875
B ESTIMATED	0	0	0	0	26,668	0	0	0	26,668
C TOTAL	0	0	0	0	43,543	0	0	0	43,543
9. N/A									
A ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10. N/A									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
C TOTAL	0	0	0	0	0	0	0	0	0
11 N/A									
A ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
C TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	420,494	7,061	875,274	7,608,148	3,593	0	3,898	8,918,468

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2003 Through December 2003
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	525,860	477,380	474,860	653,775	914,655	690,542	571,262	560,805	506,084	506,084	506,084	506,084	\$6,893,475
WATER HEATER LOAD RET	25,900	16,100	16,500	24,600	12,400	24,300	17,000	14,800	19,200	19,200	19,200	19,200	\$228,400
OIL HEAT REPLACEMENT	660	660	330	0	0	0	330	525	833	833	833	833	\$5,837
SMALL PKG COGEN	0	0	0	0	0	5,000	0	0	3,333	3,333	3,333	3,333	\$18,332
COM ELECTRIC REPLACEME	9,440	6,840	6,152	9,200	900	1,840	9,480	2,060	12,264	12,264	12,264	12,264	\$94,968
RES ELECTRIC REPLACEME	28,158	25,545	27,753	24,813	13,288	26,058	26,510	19,088	33,095	33,095	33,095	33,095	\$323,593
COMMON COSTS	63,961	159,017	97,173	118,731	98,048	47,288	92,233	117,069	129,200	129,200	129,200	129,200	\$1,310,320
GAS SPACE CONDITIONING	0	4,500	9,375	0	3,000	0	0	0	6,667	6,667	6,667	6,667	\$43,543
N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$653,979	\$690,042	\$632,143	\$831,119	\$1,042,291	\$795,028	\$716,815	\$714,347	\$710,676	\$710,676	\$710,676	\$710,676	\$8,918,468

45

ENERGY CONSERVATION ADJUSTMENT
January 2003 Through December 2003

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a OTHER PROG REV	0	0	0	0	0	0	0	0	0	0	0	0	0
b CONSERV ADJ REV	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV (NET OF REV TAXES)	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
TOTAL REVENUES	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	380,930
CONSERVATION REVS APPLIC TO PERIOD	-1,192,981	-1,118,746	-789,766	-681,599	-612,256	-553,782	-530,972	-539,921	-539,921	-539,921	-539,921	-539,921	-8,179,707
CONSERVATION EXPS (FORM C-3, PAGE 3)	653,979	690,042	632,143	831,119	1,042,291	795,028	716,815	714,347	710,676	710,676	710,676	710,676	8,918,468
TRUE-UP THIS PERIOD	-539,003	-428,704	-157,623	149,520	430,036	241,246	185,843	174,426	170,755	170,755	170,755	170,755	738,761
INTEREST THIS PERIOD (C-3,PAGE 5)	102	-441	-755	-772	-525	-204	-34	96	221	344	467	590	-912
TRUE-UP & INT BEG OF MONTH	380,930	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849
PRIOR TRUE-UP COLLECT I(REFUND)	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-380,930
END OF PERIOD TOTAL NET TRUE-UP	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849	737,849

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2003 Through December 2003

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	380,930	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849
END. T-UP BEFORE INT.	-189,817	-650,164	-839,972	-722,951	-325,431	-116,454	37,441	180,089	319,196	458,427	597,782	737,259	1,095,680
TOT. BEG. & END T-UP	191,113	-839,878	-1,490,576	-1,563,678	-1,049,154	-442,410	-79,217	217,496	499,380	777,844	1,056,553	1,335,508	1,833,529
AVERAGE TRUE-UP	95,557	-419,939	-745,288	-781,839	-524,577	-221,205	-39,608	108,748	249,690	388,922	528,276	667,754	916,765
INT RATE-FIRST DAY OF REPORTING BUS. MTH	1.2900%	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
INT RATE-FIRST DAY OF SUBSEQUENT BUS MT	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
TOTAL	2.5600%	2.5200%	2.4300%	2.3700%	2.4000%	2.2100%	2.0500%	2.1100%	2.1200%	2.1200%	2.1200%	2.1200%	2.1200%
AVG INTEREST RATE	1.2800%	1.2600%	1.2150%	1.1850%	1.2000%	1.1050%	1.0250%	1.0550%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
MONTHLY AVG RATE	0.1067%	0.1050%	0.1013%	0.0988%	0.1000%	0.0921%	0.0854%	0.0879%	0.0883%	0.0883%	0.0883%	0.0883%	0.0883%
INTEREST PROVISION	\$102	-\$441	-\$755	-\$772	-\$525	-\$204	-\$34	\$96	\$221	\$344	\$467	\$590	-\$912

47

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Commercial Electric Replacement Program

Description: This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

Program Allowances: For every KW Displaced \$40 00
Each customer allowed a maximum of 100 KWD deferred

Program Goals: Projected KWD displaced this period: **2,374**
Actual KWD displaced this period: **1,148**
Percent of goal: **48.3%**
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$94,968**
Actual to date: **\$45,912**

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 030004-GU
 KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Home Builder Program

Description: This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

Program Allowances:	Gas Water Heater	\$250.00
	Gas Furnace	\$250.00
	Gas Range	\$85.00
	Gas Dryer	\$85.00

Program Goals: Projected new home connections for this period:	12,861
Actual connections to date this period:	9,084
Percent of goal:	70.6%
8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$6,893,475
	Actual to date:	\$4,869,139

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Water Heater Load Retention Program

Description: This Program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Energy Efficient Gas Water Heater \$100.00

Program Goals: Projected connections for this period: 2,284

Actual connections to date this period: 1,516

Percent of goal: 66.4%

8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$228,400

Actual to date: \$151,600

Company Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Replacement of Oil Heating Program

Description: This Program is designed to encourage customers to convert their existing Oil Heating system to more energy efficient natural gas heating. Peoples' offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

Program Allowance: Energy Efficient Gas Furnaces \$330.00

Program Go Projected new connections for this period: 18

Actual connections to date this period: 8

Percent of goal: 42.9%

8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$5,837

Actual to date: \$2,505

51

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Small Package Cogeneration Program

Description: This Program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

Program Fiscal Expenditures:	Estimated for period:	\$18,332
	Actual to date	\$5,000

52

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 030004-GU
 KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Commercial Electric Replacement Program

Description: This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

Program Allowances:	For every KW Displaced	\$40.00
	Each customer allowed a maximum of 100 KWD deferred	
Program Goals:	Projected KWD displaced this period:	2,374
	Actual KWD displaced this period:	1,148
	Percent of goal:	48.3%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$94,968
	Actual to date:	\$45,912

53

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Residential Electric Replacement Program

Description: This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

Program Allowances:	Natural Gas Water Heater	\$440.00
	Natural Gas Furnace	\$440.00
	Natural Gas Range	\$75.00
	Natural Gas Dryer	\$75.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected new connections for this period:	526
	Actual connections to date this period:	311
	Percent of goal:	59.1%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$323,593
	Actual to date:	\$191,213

54

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period.	\$1,310,320
Actual to date:	\$793,520
Percent of goal:	60.6%
8 Months of Actuals	

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Gas Space Conditioning Program

Description: This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: Each customer allowed 100 tons maximum paid allowance / installatic \$150 per ton

Program Goals:	Projected connections this period: (tons)	290
	Actual connections this period: (tons)	113
	Percent of goal:	38.8%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period.	\$43,543
	Actual to date:	\$16,875

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1	TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,010,800
2	TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	921,916
3	TOTAL (LINE 1 AND LINE 2)	2,932,716

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS	508,786	11,872,281	5,087,860	4,471,932	9,559,792	1,699,904	17.78181%	0.14318	1.00503	0.14390
SGS	13,251	601,595	265,020	162,160	427,180	75,960	17.78181%	0.12626	1.00503	0.12690
GS-1	16,503	6,760,991	495,090	1,558,070	2,053,160	365,089	17.78181%	0.05400	1.00503	0.05427
GS-2	2,171	4,270,669	75,985	950,950	1,026,935	182,608	17.78181%	0.04276	1.00503	0.04297
GS-3	516	3,902,990	23,220	762,371	785,591	139,692	17.78181%	0.03579	1.00503	0.03597
GS-4	120	3,033,282	10,200	540,774	550,974	97,973	17.78181%	0.03230	1.00503	0.03246
GS-5	96	20,662,841	14,400	2,074,756	2,089,156	371,490	17.78181%	0.01798	1.00503	0.01807
NGVS	0	0	0	0	0	0	17.78181%	#DIV/0!	1.00503	#DIV/0!
CSLS	60	52,952	0	6,793	6,793	1,208	17.78181%	0.02281	1.00503	0.02293
TOTAL	541,443	51,104,649	5,971,775	10,521,013	16,492,788	2,932,716				

57

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2004 Through December 2004

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	1,750,890	0	0	0	1,750,890
2 ENERGY SAVINGS PAYBACK	0	0	0	0	7,500	0	0	0	7,500
3 WATER HEATER LOAD RET	0	0	0	0	33,200	0	0	0	33,200
4 RES ELECTRIC REPLACEMENT	0	0	0	0	31,950	0	0	0	31,950
5 COM ELECTRIC REPLACEMENT	0	0	0	0	7,960	0	0	0	7,960
6 GAS SPACE CONDITIONING	0	0	0	0	10,000	0	0	0	10,000
7 COMMON COSTS	0	59,300	0	110,000	0	0	0	0	169,300
8 N/A	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	59,300	0	110,000	1,841,500	0	0	0	2,010,800

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months Actual

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	1,764,200	0	0	0	1,764,200
B. ESTIMATED	0	0	0	0	456,216	0	0	0	456,216
C. TOTAL	0	0	0	0	2,220,416	0	0	0	2,220,416
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	5,800	0	0	0	5,800
B. ESTIMATED	0	0	0	0	5,000	0	0	0	5,000
C. TOTAL	0	0	0	0	10,800	0	0	0	10,800
3 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	23,700	0	0	0	23,700
B. ESTIMATED	0	0	0	0	12,032	0	0	0	12,032
C. TOTAL	0	0	0	0	35,732	0	0	0	35,732
4 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	19,700	0	0	0	19,700
B. ESTIMATED	0	0	0	0	23,332	0	0	0	23,332
C. TOTAL	0	0	0	0	43,032	0	0	0	43,032
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	4,071	0	0	0	4,071
B. ESTIMATED	0	0	0	0	8,332	0	0	0	8,332
C. TOTAL	0	0	0	0	12,403	0	0	0	12,403
6 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	5,000	0	0	0	5,000
C. TOTAL	0	0	0	0	5,000	0	0	0	5,000
SUB-TOTAL	0	0	0	0	2,327,383	0	0	0	2,327,383

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months Actual

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	2,327,383	0	0	0	2,327,383
7. COMMON COSTS									
A. ACTUAL	0	44,772	0	78,750	0	0	0	0	123,523
B ESTIMATED	0	31,490	0	66,667	0	0	0	1,667	99,823
C TOTAL	0	76,262	0	145,417	0	0	0	1,667	223,346
8. N/A									
A ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
9 N/A									
A ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C TOTAL	0	0	0	0	0	0	0	0	0
10. N/A									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
11 N/A									
A ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
C TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	76,262	0	145,417	2,327,383	0	0	1,667	2,550,729

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2003 Through December 2003
8 Months Actual

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	336,400	215,000	168,100	242,100	248,550	136,950	129,500	287,600	114,054	114,054	114,054	114,054	2,220,416
ENERGY SAVINGS PAYBACK	1,050	350	800	1,150	350	750	350	1,000	1,250	1,250	1,250	1,250	10,800
WATER HEATER LOAD RET	5,000	2,000	3,600	2,600	2,100	3,400	1,300	3,700	3,008	3,008	3,008	3,008	35,732
RES ELECTRIC REPLACEMENT	3,100	3,250	3,750	3,950	600	1,150	1,950	1,950	5,833	5,833	5,833	5,833	43,032
COM ELECTRIC REPLACEMENT	0	540	621	1,200	300	1,410	0	0	2,083	2,083	2,083	2,083	12,403
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	1,250	1,250	1,250	1,250	5,000
COMMON COSTS	9,288	24,129	13,568	19,468	20,148	7,972	13,603	15,347	24,956	24,956	24,956	24,956	223,346
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	354,838	245,269	190,439	270,468	272,048	151,632	146,703	309,597	152,434	152,434	152,434	152,434	2,550,729

ENERGY CONSERVATION ADJUSTMENT
January 2003 Through December 2003

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
CONSERVATION REVS													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a OTHER PROG REV	0	0	0	0	0	0	0	0	0	0	0	0	0
b CONSERV ADJ. REV	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV (NET OF REV TAXES)	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
TOTAL REVENUES	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	530,074
CONSERVATION REVS APPLIC TO PERIOD	-347,339	-305,412	-158,606	-108,275	-182,759	-77,472	-84,380	-74,107	-74,107	-74,107	-74,107	-74,107	-1,635,779
CONSERVATION EXPS (FORM C-3, PAGE 3)	354,838	245,269	190,439	270,468	272,048	151,632	146,703	309,597	152,434	152,434	152,434	152,434	2,550,729
TRUE-UP THIS PERIOD	7,498	-61,143	31,833	162,193	89,289	74,160	62,322	235,490	78,327	78,327	78,327	78,327	914,950
INTEREST THIS PERIOD (C-3, PAGE 5)	546	463	388	431	518	512	496	603	706	737	768	799	6,966
TRUE-UP & INT BEG OF MONTH	530,074	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916
PRIOR TRUE-UP COLLECT (REFUND)	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-530,074
END OF PERIOD TOTAL NET TRUE-UP	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916	921,916

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2003 Through December 2003

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	530,074	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916
END T-UP BEFORE INT	493,400	388,629	376,753	495,160	540,707	571,212	589,874	781,687	816,445	851,305	886,196	921,118	1,306,792
TOT BEG & END T-UP	1,023,474	882,575	765,845	872,300	1,036,297	1,112,437	1,161,598	1,372,057	1,598,735	1,668,455	1,738,238	1,808,081	2,228,709
AVERAGE TRUE-UP	511,737	441,287	382,923	436,150	518,149	556,218	580,799	686,028	799,367	834,228	869,119	904,041	1,114,354
INT RATE-FIRST DAY OF REPORTING BUS MTH	1 2900%	1 2700%	1 2500%	1 1800%	1 1900%	1 2100%	1 0000%	1 0500%	1 0600%	1 0600%	1 0600%	1 0600%	1 0600%
INT RATE-FIRST DAY OF SUBSEQUENT BUS MTH	1 2700%	1 2500%	1 1800%	1 1900%	1 2100%	1 0000%	1 0500%	1 0600%	1 0600%	1 0600%	1 0600%	1 0600%	1 0600%
TOTAL	2 5600%	2 5200%	2 4300%	2 3700%	2 4000%	2 2100%	2 0500%	2 1100%	2 1200%	2 1200%	2 1200%	2 1200%	2 1200%
AVG INTEREST RATE	1 2800%	1 2600%	1 2150%	1 1850%	1 2000%	1 1050%	1 0250%	1 0550%	1 0600%	1 0600%	1 0600%	1 0600%	1 0600%
MONTHLY AVG RATE	0 1067%	0 1050%	0 1013%	0 0988%	0 1000%	0 0921%	0 0854%	0 0879%	0 0883%	0 0883%	0 0883%	0 0883%	0 0883%
INTEREST PROVISION	\$546	\$463	\$388	\$431	\$518	\$512	\$496	\$603	\$706	\$737	\$768	\$799	\$6,966

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Home Builder Program

Description: This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

Program Allowances:	Gas Water Heater	\$150.00
	Gas Furnace	\$250.00
	Gas Range	\$100.00
	Gas Dryer	\$100.00

Program Goals	Projected new home connections for this period:	4,848
	Actual connections to date this period:	3,852
	Percent of goal:	79.5%
	8 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$2,220,416
	Actual to date:	\$1,764,200

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: ENERGY SAVINGS PAYBACK (ESP) PROGRAM

Description: This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances.

Program Allowances:	Water Heater	\$50.00
	Central Heater	\$50.00
	Range	\$50.00
	Dryer	\$50.00

Program Goals: Projected Installations for the period: 16

Program Fiscal Expenditures:	Estimated for period:	\$10,800
	Actual to date:	\$5,800

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Residential Electric & Oil Replacement Program

Description: This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

Program Allowance:	Natural Gas Water Heat	\$250.00
	Natural Gas Furnace	\$500.00
	Natural Gas Range	\$150.00
	Natural Gas Dryer	\$150.00
	Natural Gas Space Heat	\$150.00

Program Goals:	Projected new connections for this period:	179
	Actual connections to date this period:	66
	Percent of goal: 8 Months Actual	36.8%

Program Fiscal Expenditures:	Estimated for period:	\$43,032
	Actual to date:	\$19,700

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Commercial Electric Replacement Program

Description: This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

Program Allowance:	For every KW Displaces	\$30.00
Program Goals:	Projected KWD displaced this period:	413
	Actual KWD displaced this period:	136
	Percent of goal:	32.8%
	8 Months Actual	
Program Fiscal Expenditures:	Estimated for period:	\$12,403
	Actual to date:	\$4,071

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Gas Space Conditioning Program

Description: This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowances:	Each customer allowed 100 tons maximum paid allowance	\$100.00 per ton
Program Goals:	Projected connections this period: (tons)	50
	Actual connections this period: (tons)	0
	Percent of goal: 8 Months Actual	0.0%
Program Fiscal Expenditures:	Estimated for period:	\$5,000
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Energy Conservation Common Costs

Program Fiscal Expenditure Estimated for period:	\$223,346
Actual to date:	\$123,523
Percent of goal:	55.3%
8 Months Actual	