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IN REPLY REFER TO:

Ansley Watson, Jr.
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August 21, 2015

VIA WEB-BASED E-FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 150004-GU – Natural gas conservation cost recovery

Dear Ms. Stauffer:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find the following:

- Peoples' Petition for Approval of Conservation Cost Recovery Factors;
- Direct Testimony of Kandi M. Floyd on behalf of Peoples; and
- Exhibit ____ (KMF-2), consisting of the conservation cost recovery projection forms prescribed by the Commission Staff.

The direct testimony of Mrs. Floyd and the referenced exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on November 2, 2015. We appreciate your usual assistance.

Sincerely,



Ansley Watson, Jr.

AW/a
Attachments

Carlotta S. Stauffer, Commission Clerk
August 21, 2015
Page 2

cc: Parties of Record
Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost)
recovery.)
_____)

Docket No. 150004-GU
Submitted for Filing:
8-21-15

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System (“Peoples”), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its conservation cost recovery factors for the period January 1 through December 31, 2016, 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, pleadings and correspondence in this docket should be addressed are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Paula K. Brown
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

Ms. Kandi M. Floyd
Manager – State Regulatory
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

3. Peoples projects total conservation program expenses of \$13,487,478 for the period January 1 through December 31, 2016. The estimated true-up is an over-recovery of \$1,387,644. After decreasing the projected conservation expenses by the amount of this over-recovery, \$12,099,834 remains to be recovered during the January

1 through December 31, 2016 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 1 through December 31, 2016 required to recover such expense are as follows:

Rate Class	ECCR Factor (per therm)
Residential	\$0.06421
Residential Standby Generator	\$0.06421
Small General Service	\$0.04522
Commercial Standby Generator	\$0.02222
General Service 1	\$0.02222
General Service 2	\$0.01629
General Service 3	\$0.01339
General Service 4	\$0.01005
General Service 5	\$0.00732
Natural Gas Vehicle Service	\$0.01454
Commercial Street Lighting	\$0.01180

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve the conservation adjustment factors set forth in paragraph 3 of this petition for the period January 1 through December 31, 2016.

Respectfully submitted,



Ansley Watson, Jr.
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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Exhibit ____ (KMF-2), have been furnished by electronic mail, this 21st day of August, 2015, to the following:

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Ansley Watson, Jr.



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 150004-GU
ENERGY CONSERVATION
PROJECTION FILING FOR
JANUARY 2016 - DECEMBER 2016
BY PEOPLES GAS SYSTEM

TESTIMONY AND EXHIBIT
OF
KANDI M. FLOYD

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
7 are employed, and in what capacity?

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

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

17
18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Energy Conservation Cost
3 Recovery ("ECCR") Clause and the Purchased Gas
4 Adjustment as well as various other regulatory
5 activities for Peoples.

6
7 **Q.** What is the purpose of your testimony in this docket?

8
9 **A.** My testimony addresses Peoples' conservation programs,
10 the expenses that Peoples has incurred, the revenues
11 recovered by Peoples through the ECCR clause from
12 January 2015 through July 2015, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2016.

15
16 First, my testimony describes generally the actual and
17 projected expenditures made for the purpose of
18 implementing, promoting and operating Peoples' energy
19 conservation programs for the current period. This
20 information includes the adjusted net true-up amounts
21 associated with those programs for the period January
22 2014 through December 2014. Next, my testimony addresses
23 the actual costs incurred from January 2015 through July
24 2015, and revised projections of program costs that
25 Peoples expects to incur from August 2015 through

1 December 2015. In addition, my testimony presents
2 projected conservation program costs for the period
3 January 2016 through December 2016.

4
5 Finally, my testimony presents the calculation of the
6 conservation cost recovery adjustment factors to be
7 applied to customers' bills during the period beginning
8 with the first billing cycle for January 2016 and
9 continuing through the last billing cycle for December
10 2016.

11
12 **Q.** Are you sponsoring any exhibits with your testimony?

13
14 **A.** Yes. I am sponsoring two exhibits produced under my
15 direction and supervision. Exhibit ____ (KMF-1) contains
16 the conservation cost recovery true-up data for the
17 period January 2014 through December 2014, and Exhibit
18 ____ (KMF-2) contains the conservation cost recovery
19 true-up data for the period January 2015 through July
20 2015 as well as re-projected expenses for the period
21 August 2015 through December 2015. Exhibit ____ (KMF-2)
22 consists of Schedules C-1 through C-5, which contain
23 information related to the calculation of the ECCR
24 factors to be applied to customers' bills during the
25 period January 2016 through December 2016.

1 **Q.** Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2014 through December 2014?
4

5 **A.** Yes. Actual expenses for the period January 2014
6 through December 2014 are shown on Schedule CT-2, page
7 2, of Exhibit ____ (KMF-1). Schedule CT-2, page 1
8 presents a comparison of the actual program costs and
9 true-up amount to the projected costs and true-up amount
10 for the same period.
11

12 **Q.** What are the Company's true-up amounts for the period
13 January 2014 through December 2014?
14

15 **A.** As shown on Schedule CT-1 of Exhibit ____ (KMF-1), the
16 end-of-period net true-up for the period is an over-
17 recovery of \$309,546 including both principal and
18 interest. The projected true-up for January 2014 through
19 December 2014, as approved by Commission Order No. PSC-
20 14-0655-FOF-GU, was an under-recovery of \$179,057
21 (including interest). Subtracting the projected true-up
22 under-recovery from the actual over-recovery yields the
23 adjusted net true-up of \$488,603 over-recovery
24 (including interest).
25

1 Q. Have you prepared summaries of the Company's
2 conservation programs and the projected costs associated
3 with these programs?
4

5 A. Yes. Summaries of the Company's programs are presented
6 in Schedule C-5 of Exhibit ____ (KMF-2).
7

8 Q. Have you prepared schedules required for the calculation
9 of Peoples' proposed conservation adjustment factors to
10 be applied during the billing periods from January 2016
11 through and including December 2016?
12

13 A. Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
14 expenses for the period January 2015 through July 2015
15 and projected expenses for the period August 2015
16 through December 2015.
17

18 Projected expenses for the January 2016 through December
19 2016 period are shown on Schedule C-2 of Exhibit
20 ____ (KMF-2). The total annual cost projected represents
21 a continuation of Peoples' efforts to expand the
22 availability of natural gas throughout Florida, and to
23 retain its existing natural gas customers. Schedule C-1
24 shows the calculation of the conservation adjustment
25 factors to be applied to all customers of the Company

1 who are subject to the factors. The estimated true-up
2 amount from Schedule C-3 (Page 4) of Exhibit____(KMF-2),
3 an over-recovery, was added to the total of the
4 projected costs for the January 2016 through December
5 2016 period. The resulting total of \$12,099,834 is the
6 expense to be recovered during calendar year 2016. This
7 total expense was then allocated to the Company's
8 affected rate classes pursuant to the methodology
9 previously approved by the Commission, divided by the
10 expected consumption of each rate class, and then
11 adjusted for the regulatory assessment fee.

12
13 Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting
14 estimated ECCR revenues and adjustment factors by rate
15 class for the period January 2016 through December 2016.

16
17 **Q.** Does this conclude your prefilled direct testimony?

18
19 **A.** Yes, it does.
20
21
22
23
24
25

PEOPLES GAS SYSTEM
ENERGY CONSERVATION COST RECOVERY CLAUSE
PROJECTION FILING FOR
January 2016 - December 2016

ENERGY CONSERVATION COST RECOVERY

INDEX

SCHEDULE	TITLE	PAGE
C-1	Summary of Cost Recovery Clause Calculation	9
C-2	Estimated Conservation Program Costs by Program by Month	10
C-3	Estimated Conservation Program Costs per Program	12
C-5	Program Progress Report	17

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2016 Through December 2016

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	13,487,478
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-1,387,644
3. TOTAL (LINE 1 AND LINE 2)	12,099,834

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 & RS-SG	3,996,949	82,571,000	62,618,868	22,114,165	84,733,033	5,275,397	6.22590%	0.06389	1.00503	0.06421
SGS	135,020	8,797,000	3,375,500	2,981,655	6,357,155	395,790	6.22590%	0.04499	1.00503	0.04522
GS-1 & CS-SG	186,981	75,126,000	6,544,335	20,133,768	26,678,103	1,660,953	6.22590%	0.02211	1.00503	0.02222
GS-2	84,814	128,685,000	4,240,700	29,270,690	33,511,390	2,086,387	6.22590%	0.01621	1.00503	0.01629
GS-3	9,892	86,094,000	1,483,800	16,934,690	18,418,490	1,146,717	6.22590%	0.01332	1.00503	0.01339
GS-4	2,197	64,874,000	549,250	9,870,579.00	10,419,829	648,729	6.22590%	0.01000	1.00503	0.01005
GS-5	1,543	120,219,000	462,900	13,609,993	14,072,893	876,165	6.22590%	0.00729	1.00503	0.00732
NGVS	180	167,000	8,100	30,715	38,815	2,417	6.22590%	0.01447	1.00503	0.01454
CSLS	516	620,000	0	116,926	116,926	7,280	6.22590%	0.01174	1.00503	0.01180
TOTAL	4,418,092	567,153,000	79,283,453	115,063,181	194,346,634	12,099,834				

6

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2016 Through December 2016

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	334,999	334,999	334,999	334,999	334,999	334,999	334,999	334,999	334,999	334,999	334,999	334,999	\$4,019,985
2 RESIDENTIAL APPLIANCE RETENTION	429,705	429,705	429,705	429,705	429,705	429,705	429,705	429,705	429,705	429,705	429,705	429,705	\$5,156,457
3 RESIDENTIAL APPLIANCE REPLACEMENT	84,588	84,588	84,588	84,588	84,588	84,588	84,588	84,588	84,588	84,588	84,588	84,588	\$1,015,055
4 COMMERCIAL ELECTRIC REPLACEMENT	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	\$32,303
5 GAS SPACE CONDITIONING	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	\$25,000
6 SMALL PACKAGE COGEN	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	\$25,000
7 COMMON COSTS	149,990	149,990	149,990	149,990	149,990	149,990	149,990	149,990	149,990	149,990	149,990	149,990	\$1,799,883
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	117	117	117	117	117	117	117	117	117	117	117	117	\$1,400
10 CONSERVATION DEMONSTRATION DEVELOPMENT	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	\$50,000
11 COMMERCIAL NEW CONSTRUCTION	19,332	19,332	19,332	19,332	19,332	19,332	19,332	19,332	19,332	19,332	19,332	19,332	\$231,984
12 COMMERCIAL RETENTION	42,302	42,302	42,302	42,302	42,302	42,302	42,302	42,302	42,302	42,302	42,302	42,302	\$507,621
13 COMMERCIAL REPLACEMENT	51,899	51,899	51,899	51,899	51,899	51,899	51,899	51,899	51,899	51,899	51,899	51,899	\$622,791
TOTAL ALL PROGRAMS	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$1,123,957	\$13,487,478

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2016 Through December 2016

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	4,019,985	0	0	0	\$4,019,985
2 RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	5,156,457	0	0	0	\$5,156,457
3 RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	1,015,055	0	0	0	\$1,015,055
4 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	32,303	0	0	0	\$32,303
5 GAS SPACE CONDITIONING	0	0	0	0	25,000	0	0	0	\$25,000
6 SMALL PACKAGE COGEN	0	0	0	0	25,000	0	0	0	\$25,000
7 COMMON COSTS	0	377,711	1,365	1,320,000	0	7,808	575	92,424	\$1,799,883
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	0	0	0	0	1,400	0	0	0	\$1,400
10 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	50,000	0	0	0	\$50,000
11 COMMERCIAL NEW CONSTRUCTION	0	0	0	0	231,984	0	0	0	\$231,984
12 COMMERCIAL RETENTION	0	0	0	0	507,621	0	0	0	\$507,621
13 COMMERCIAL REPLACEMENT	0	0	0	0	622,791	0	0	0	\$622,791
PROGRAM COSTS	\$0	\$377,711	\$1,365	\$1,320,000	\$11,687,596	\$7,808	\$575	\$92,424	\$13,487,478

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2015 Through December 2015
 7 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION									
A. ACTUAL	0	0	0	0	2,276,691	0	0	0	2,276,691
B. ESTIMATED	0	0	0	0	1,626,208	0	0	0	1,626,208
C. TOTAL	0	0	0	0	3,902,898	0	0	0	3,902,898
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	2,920,323	0	0	0	2,920,323
B. ESTIMATED	0	0	0	0	2,085,945	0	0	0	2,085,945
C. TOTAL	0	0	0	0	5,006,269	0	0	0	5,006,269
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	574,869	0	0	0	574,869
B. ESTIMATED	0	0	0	0	410,621	0	0	0	410,621
C. TOTAL	0	0	0	0	985,490	0	0	0	985,490
4 COMMERCIAL ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	15,362	0	0	0	15,362
B. ESTIMATED	0	0	0	0	16,000	0	0	0	16,000
C. TOTAL	0	0	0	0	31,362	0	0	0	31,362
5 GAS SPACE CONDITIONING									
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
6 SMALL PACKAGE COGEN									
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
SUB-TOTAL	\$0	\$0	\$0	\$0	\$9,926,019	\$0	\$0	\$0	\$9,926,019

12

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2015 Through December 2015
7 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	9,926,019	0	0	0	9,926,019
7. COMMON COSTS									
A. ACTUAL	0	205,164	625	449,354	0	2,581	558	4,732	663,014
B. ESTIMATED	0	161,546	700	671,195	0	5,000	0	85,000	923,441
C. TOTAL	0	366,710	1,325	1,120,549	0	7,581	558	89,732	1,586,455
8. MONITORING AND RESEARCH									
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. OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	830	0	0	0	830
B. ESTIMATED	0	0	0	0	593	0	0	0	593
C. TOTAL	0	0	0	0	1,423	0	0	0	1,423
10. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	0	0	0	0	23,874	0	0	0	23,874
B. ESTIMATED	0	0	0	0	18,000	0	0	0	18,000
C. TOTAL	0	0	0	0	41,874	0	0	0	41,874
11. COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	70,928	0	0	0	70,928
B. ESTIMATED	0	0	0	0	50,663	0	0	0	50,663
C. TOTAL	0	0	0	0	121,591	0	0	0	121,591
12. COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	206,263	0	0	0	206,263
B. ESTIMATED	0	0	0	0	147,331	0	0	0	147,331
C. TOTAL	0	0	0	0	353,594	0	0	0	353,594
13. COMMERCIAL REPLACEMENT									
A. ACTUAL	0	0	0	0	372,911	0	0	0	372,911
B. ESTIMATED	0	0	0	0	266,365	0	0	0	266,365
C. TOTAL	0	0	0	0	639,275	0	0	0	639,275
TOTAL	\$0	\$366,710	\$1,325	\$1,120,549	\$11,083,777	\$7,581	\$558	\$89,732	\$12,670,231

13

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2015 Through December 2015
 7 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	507,991	303,750	392,800	245,450	360,650	207,950	258,100	325,242	325,242	325,242	325,242	325,242	\$3,902,898
RESIDENTIAL APPLIANCE RETENTION	514,288	324,721	454,249	339,565	456,111	473,540	357,850	417,189	417,189	417,189	417,189	417,189	\$5,006,269
RESIDENTIAL APPLIANCE REPLACEMENT	81,430	80,350	93,669	94,025	68,450	87,995	68,950	82,124	82,124	82,124	82,124	82,124	\$985,490
COMMERCIAL ELECTRIC REPLACEMENT	10,000	0	640	0	0	0	4,722	3,200	3,200	3,200	3,200	3,200	\$31,362
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	\$0
SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	75,659	107,082	125,016	55,171	74,774	102,702	122,609	184,688	184,688	184,688	184,688	184,688	\$1,586,454
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL HEAT REPLACEMENT	0	0	500	0	330	0	0	119	119	119	119	119	\$1,423
CONSERVATION DEMONSTRATION DEVELOPMENT	0	3,556	0	1,382	18,937	0	0	3,600	3,600	3,600	3,600	3,600	\$41,874
COMMERCIAL NEW CONSTRUCTION	7,428	0	0	12,000	26,000	20,500	5,000	10,133	10,133	10,133	10,133	10,133	\$121,591
COMMERCIAL RETENTION	25,890	27,440	10,783	20,875	17,500	22,000	81,775	29,466	29,466	29,466	29,466	29,466	\$353,594
COMMERCIAL REPLACEMENT	91,648	62,648	29,800	36,775	43,776	48,970	59,294	53,273	53,273	53,273	53,273	53,273	\$639,275
TOTAL ALL PROGRAMS	\$1,314,333	\$909,548	\$1,107,457	\$805,242	\$1,066,527	\$963,658	\$958,300	\$1,109,033	\$1,109,033	\$1,109,033	\$1,109,033	\$1,109,033	\$12,670,230

ENERGY CONSERVATION ADJUSTMENT
January 2015 Through December 2015

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.	-1,664,230	-1,725,777	-1,673,291	-1,229,117	-975,667	-1,002,206	-912,709	-912,709	-912,709	-912,709	-912,709	-912,709	-13,746,540
b. CONSERV. ADJ. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-1,664,230	-1,725,777	-1,673,291	-1,229,117	-975,667	-1,002,206	-912,709	-912,709	-912,709	-912,709	-912,709	-912,709	-13,746,540
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-25,796	-309,546
CONSERVATION REVS. APPLIC. TO PERIOD	-1,690,025	-1,751,572	-1,699,086	-1,254,913	-1,001,462	-1,028,001	-938,504	-938,504	-938,504	-938,504	-938,504	-938,504	-14,056,086
CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,314,333	909,548	1,107,457	805,242	1,066,527	963,658	958,300	1,109,033	1,109,033	1,109,033	1,109,033	1,109,033	12,670,230
TRUE-UP THIS PERIOD	-375,692	-842,024	-591,630	-449,670	65,065	-64,344	19,796	170,529	170,529	170,529	170,529	170,529	-1,385,855
INTEREST THIS PERIOD (C-3,PAGE 5)	-40	-85	-132	-141	-161	-180	-189	-208	-190	-172	-154	-136	-1,789
TRUE-UP & INT. BEG. OF MONTH	-309,546	-659,483	-1,475,797	-2,041,763	-2,465,778	-2,375,079	-2,413,807	-2,368,405	-2,172,289	-1,976,154	-1,780,002	-1,583,832	-1,387,644
PRIOR TRUE-UP COLLECT./(REFUND.)	25,796	25,796	25,796	25,796	25,796	25,796	25,796	25,796	25,796	25,796	25,796	25,796	309,546
END OF PERIOD TOTAL NET TRUE-UP	-659,483	-1,475,797	-2,041,763	-2,465,778	-2,375,079	-2,413,807	-2,368,405	-2,172,289	-1,976,154	-1,780,002	-1,583,832	-1,387,644	-1,387,644

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2015 Through December 2015

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	-309,546	-659,483	-1,475,797	-2,041,763	-2,465,778	-2,375,079	-2,413,807	-2,368,405	-2,172,289	-1,976,154	-1,780,002	-1,583,832	-1,387,644
END. T-UP BEFORE INT.	-659,443	-1,475,712	-2,041,631	-2,465,637	-2,374,918	-2,413,627	-2,368,216	-2,172,081	-1,975,964	-1,779,830	-1,583,678	-1,387,508	-2,463,953
TOT. BEG. & END. T-UP	-968,989	-2,135,195	-3,517,428	-4,507,400	-4,840,696	-4,788,706	-4,782,022	-4,540,485	-4,148,253	-3,755,985	-3,363,680	-2,971,340	-3,851,597
AVERAGE TRUE-UP	-484,494	-1,067,598	-1,758,714	-2,253,700	-2,420,348	-2,394,353	-2,391,011	-2,270,243	-2,074,127	-1,877,992	-1,681,840	-1,485,670	-1,925,799
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.1000%	0.1000%	0.0900%	0.0900%	0.0600%	0.1000%	0.0800%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.1000%	0.0900%	0.0900%	0.0600%	0.1000%	0.0800%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%
TOTAL	0.2000%	0.1900%	0.1800%	0.1500%	0.1600%	0.1800%	0.1900%	0.2200%	0.2200%	0.2200%	0.2200%	0.2200%	0.2200%
AVG INTEREST RATE	0.1000%	0.0950%	0.0900%	0.0750%	0.0800%	0.0900%	0.0950%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%	0.1100%
MONTHLY AVG. RATE	0.0083%	0.0079%	0.0075%	0.0063%	0.0067%	0.0075%	0.0079%	0.0092%	0.0092%	0.0092%	0.0092%	0.0092%	0.0092%
INTEREST PROVISION	-\$40	-\$85	-\$132	-\$141	-\$161	-\$180	-\$189	-\$208	-\$190	-\$172	-\$154	-\$136	-\$1,789

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: NEW RESIDENTIAL CONSTRUCTION

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 to builders for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Allowances:	Gas Water Heater	\$350.00
	Gas Heating	\$350.00
	Gas Tankless Water Heater	\$450.00
	Gas Cooking	\$100.00
	Gas Dryer	\$100.00

Program Goals: Projected new home connections for this period:	4,879
Actual connections to date this period:	2,846
Percent of goal:	58.3%
7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$3,902,898
	Actual to date:	\$2,276,691

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Peoples Gas System

Reporting: January 2015 Through December 2015

Name: RESIDENTIAL APPLIANCE RETENTION

Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances:	Gas Water Heater	\$350.00
	Gas Heating	\$350.00
	Gas Tankless Water Heater	\$450.00
	Gas Cooking	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected connections for this period:	12,516
	Actual connections to date this period:	7,301
	Percent of goal:	58.3%
	7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$5,006,269
	Actual to date:	\$2,920,323

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: RESIDENTIAL APPLIANCE REPLACEMENT

Description: This program was designed to encourage the replacement of electric resistance appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Allowances:	Natural Gas Water Heater	\$525.00
	Natural Gas Heating	\$625.00
	Natural Gas Tankless Water Heater . . .	\$525.00
	Natural Gas Range	\$100.00
	Natural Gas Dryer	\$100.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected connections for this period:	1,877
	Actual connections to date this period:	1,095
	Percent of goal:	58.3%
	7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$985,490
	Actual to date:	\$574,869

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: COMMERCIAL ELECTRIC REPLACEMENT

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
Program Goals:	Projected kW Displaced this period:	784
	Actual kW Displaced this period	384
	Percent of goal:	49%
Program Fiscal Expenditures:	Estimated for period:	\$31,362
	Actual to date:	\$15,362

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: GAS SPACE CONDITIONING

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 / installation at: \$150 per ton

Program Goals:	Projected tons for this period:	0
	Actual tons for this period	0
	Percent of goal:	0%

Program Fiscal Expenditures:	Estimated for period:	\$0
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: SMALL PACKAGE COGEN

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 Goals:	Projected tons for this period:	0
	Actual tons for this period:	0
	Percent of goal: 7 Months of Actuals	0%
Program Fiscal Expenditures:	Estimated for period:	\$0
	Actual to date:	\$0

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Peoples Gas System

Reporting: January 2015 Through December 2015

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period: **\$1,586,455**

Actual to date: **\$663,014**

Percent of goal: **41.8%**
7 Months of Actuals

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: OIL HEAT REPLACEMENT

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 Goals: Projected new connections for this period: **4**

Actual connections to date this period: **3**

Percent of goal: **58.3%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$1,423**

Actual to date: **\$830**

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: CONSERVATION DEMONSTRATION AND DEVELOPMENT PROGRAM

Description: The CDD program allows local distribution companies to pursue opportunities for individual and joint research including testing of technologies to develop new energy conservation programs.

Program Fiscal Expenditures:	Estimated for period:	\$18,000
	Actual to date:	\$23,874

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: COMMERCIAL NEW CONSTRUCTION

Description: This Program is designed to increase the number of high priority natural gas customers in the new commercial construction market. The Company offers incentives to customers for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

		Small Food	Large Food	Non-Food	Hospitality	Cleaning
Program Allowances:	Water Heater	up to \$1000	up to \$1500	up to \$1500	up to \$1500	up to \$1500
	Tankless Water Heater	up to \$2000	up to \$2000	up to \$2000	up to \$2000	up to \$2000
	Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	N/A
	Range	up to \$1000	up to \$1500	N/A	up to \$1500	N/A
	Dryer	N/A	N/A	N/A	up to \$1500	up to \$1500

Program Goals: Projected new connections for this period: **51**

Actual connections to date this period: **30**

Percent of goal: **58.3%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$121,591**

Actual to date: **\$70,928**

Peoples Gas System

Reporting: January 2015 Through December 2015

Name: COMMERCIAL RETENTION

Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

		Small Food	Large Food	Non-Food	Hospitality	Cleaning
Program Allowances:	Water Heater	up to \$1000	up to \$1500	up to \$1500	up to \$1500	up to \$1500
	Tankless Water Heater	up to \$2000	up to \$2000	up to \$2000	up to \$2000	up to \$2000
	Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	N/A
	Range	up to \$1000	up to \$1500	N/A	up to \$1500	N/A
	Dryer	N/A	N/A	N/A	\$1,500	\$1,500

Program Goals: Projected new connections for this period: **122**

Actual connections to date this period: **71**

Percent of goal: **58.3%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$353,594**

Actual to date: **\$206,263**

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Peoples Gas System

Reporting: January 2015 Through December 2015

Name: COMMERCIAL REPLACEMENT

Description: This program was designed to encourage the replacement of electric appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Allowances:	Small Food	Large Food	Non-Food	Hospitality	Cleaning
Water Heater	up to \$1500	up to \$2000	up to \$2000	up to \$2000	up to \$2000
Tankless Water Heater	up to \$2500	up to \$2500	up to \$2500	up to \$2500	up to \$2500
Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	N/A
Range	up to \$1500	up to \$1500	N/A	up to \$1500	N/A
Dryer	N/A	N/A	N/A	up to \$1500	up to \$1500

Program Goals: Projected new connections for this period: **205**

Actual connections to date this period: **120**

Percent of goal: **41.67%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$639,275**

Actual to date: **\$372,911**