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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost )  
Recovery Clause )  
\_\_\_\_\_ )

DOCKET NO. 960002-EG  
FILED: NOVEMBER 19, 1996

DIRECT TESTIMONY  
OF  
VERNON I. KRUTSINGER

On Behalf Of

PEOPLES GAS SYSTEM, INC.

ACK \_\_\_\_\_  
AFA 2  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CIP \_\_\_\_\_

*V. Krutsinger*

1  
3

CPA \_\_\_\_\_  
RGN \_\_\_\_\_  
SEC 1  
NAS \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
12330 NOV 19 96  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
IN RE: CONSERVATION COST RECOVERY CLAUSE,  
DOCKET NO. 960002-EG

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Q: Please state your name and business address.

2 A: My name is Vernon I. Krutsinger. My business address is  
3 Peoples Gas System, Inc., Suite 1700, 111 East Madison  
4 Street, Post Office Box 2562, Tampa, Florida 3361-2562.

5

6 Q: By whom are you employed and in what capacity?

7 A: I am employed by Peoples Gas System, Inc. as Manager of  
8 Energy Utilization.

9

10 Q: Are you familiar with Peoples Gas System's energy  
11 conservation programs?

12 A: Yes. As Manager of Energy Utilization, I work with the  
13 Company's energy conservation programs on a daily basis.

14

15 Q: Are you familiar with the costs that Peoples incurs in  
16 implementing its energy conservation programs?

17 A: Yes. I am responsible for planning, implementation,  
18 coordination, and maintenance of all of Peoples' energy  
19 conservation programs. My responsibilities include  
20 routinely testifying in support of the Company's ECCR  
21 filings.

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Q: Have you previously testified in proceedings before the  
2 Florida Public Service Commission?

3 A: Yes. I have testified in several Energy Conservation Cost  
4 Recovery ("ECCR") proceedings beginning in 1992. I have  
5 also testified in other conservation-related dockets before  
6 the Commission.

7  
8 Q: What is the purpose of your testimony in this docket?

9 A: My testimony in Docket No. 960002-EG addresses the costs  
10 that Peoples seeks to recover through the energy  
11 conservation cost recovery ("ECCR") clause. Specifically,  
12 this part of my testimony addresses the true-up amount for  
13 the period October 1995 through September 1996.

14  
15 Q: Are you sponsoring any exhibits with your testimony?

16 A: Yes. I am sponsoring Exhibit \_\_\_\_ (VIK-1), which contains  
17 the Conservation Cost Recovery True-Up Data in the format  
18 requested by the Commission Staff for the period October  
19 1995 through September 1996. Exhibit \_\_\_\_ (VIK-1) consists  
20 of 18 pages and includes summary and detailed data relating  
21 to the true-up, ECCR revenues, and actual and projected  
22 program cost data.

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Q: What are the Company's true-up amounts for the period  
2 October 1995 through September 1996?

3 A: As shown on Schedule CT-1 of Exhibit \_\_\_\_ (VIK-1), the end-  
4 of-period net true-up for the period is an overrecovery of  
5 \$1,807,164, including both principal and interest. The  
6 projected true-up for the period, as approved by Commission  
7 Order No. PSC-96-0352-FOF-EG, as amended by Order No. PSC-  
8 96-0352A-FOF-EG, was \$1,653,601 underrecovery. Subtracting  
9 the projected true-up underrecovery from the actual  
10 overrecovery yields the adjusted net true-up of \$3,460,765  
11 overrecovery.

12

13 Q: What do the rest of the schedules in Exhibit \_\_\_\_ (VIK-1)  
14 show?

15 A: Schedule CT-2 presents an analysis of the variance between  
16 actual and estimated energy conservation program costs for  
17 the period October 1994 through September 1995. Schedule  
18 CT-3 presents an analysis of program costs, by month and by  
19 program, and calculation of the true-up and interest  
20 amounts. Schedule CT-4 is not applicable to Peoples Gas  
21 System. Schedule CT-5 provides for a reconciliation and  
22 explanation of differences between the Company's filing and  
23 the PSC's audit for the relevant period; there are no such  
24 differences to report as of the date of this filing.  
25 Schedule CT-6 contains Program Progress Reports for each of

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Peoples' approved energy conservation programs.

2

3 Q: Does this conclude your prefiled direct testimony regarding  
4 Peoples' requested true-up amounts?

5 A: Yes, it does.

6

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost )  
Recovery Clause )  
\_\_\_\_\_ )

DOCKET NO. 960002-EG

FILED: NOVEMBER 19, 1996

**EXHIBIT**

OF

**VERNON I. KRUTSINGER**

On Behalf Of

**PEOPLES GAS SYSTEM, INC.**

DOCUMENT NUMBER-DATE

12330 NOV 19 96

FPSC-RECORDS/REPORTING

SCHEDULE CT-1

Exhibit No. \_\_\_\_\_  
Docket No. 960002-EG  
Peoples Gas System, Inc.  
(VIK - 1)

**PEOPLES GAS SYSTEM  
ADJUSTED NET TRUE-UP**

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

END OF PERIOD NET TRUE-UP

PRINCIPLE	(1,708,269)	
INTEREST	(98,895)	(1,807,164)

LESS PROJECTED TRUE-UP

PRINCIPLE	1,687,908	
INTEREST	(34,307)	1,653,601

ADJUSTED NET TRUE-UP		(3,460,765)
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	459,039	292,300	166,739
MATERIALS & SUPPLIES	5,030	27,600	(22,570)
ADVERTISING	13,565	0	13,565
INCENTIVES	4,590,685	5,199,722	(609,037)
OUTSIDE SERVICES	191,448	438,000	(246,552)
VEHICLES	51,752	32,000	19,752
OTHER	58,125	67,200	(9,075)
<b>SUB-TOTAL</b>	<b>5,369,644</b>	<b>6,056,822</b>	<b>(687,178)</b>
PROGRAM REVENUES	0	0	0
<b>TOTAL PROGRAM COSTS</b>	<b>5,369,644</b>	<b>6,056,822</b>	<b>(687,178)</b>
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
* AMOUNTS INCLUDED IN RATE BASE CONSERVATION ADJUSTMENT	0	0	0
REVENUES	(7,077,911)	(4,335,891)	(2,742,020)
ROUNDING ADJUSTMENT	0	0	0
<b>TRUE-UP BEFORE INTEREST</b>	<b>(1,708,269)</b>	<b>1,720,931</b>	<b>(3,429,200)</b>
<b>INTEREST PROVISION</b>	<b>(98,895)</b>	<b>(32,344)</b>	<b>(66,551)</b>
<b>END OF PERIOD TRUE-UP</b>	<b>(1,807,164)</b>	<b>1,688,587</b>	<b>(3,495,751)</b>

(\*) REFLECTS OVER-RECOVERY

\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED



ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	0	3,422,507	0	0	0	3,422,507
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	0	230,000	0	0	0	230,000
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	0	43,890	0	0	0	43,890
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	129,303	0	0	0	129,303
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	0	656,190	0	0	0	656,190
PROGRAM 8: COMMON COSTS	0	459,039	5,030	13,565	0	191,448	51,752	58,125	778,959
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	108,795	0	0	0	108,795
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>459,039</b>	<b>5,030</b>	<b>13,565</b>	<b>4,590,685</b>	<b>191,448</b>	<b>51,752</b>	<b>58,125</b>	<b>5,369,644</b>

## CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	0	(96,287)	0	0	0	(96,287)
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	0	(70,000)	0	0	0	(70,000)
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	0	(9,802)	0	0	0	(9,802)
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	(193,437)	0	0	0	(193,437)
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	0	(85,806)	0	0	0	(85,806)
PROGRAM 8: COMMON COSTS	0	166,739	(22,570)	13,565	0	(246,552)	19,752	(9,075)	(78,141)
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	(153,705)	0	0	0	(153,705)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	166,739	(22,570)	13,565	(609,037)	(246,552)	19,752	(9,075)	(687,178)

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: **OCTOBER 1995 THROUGH SEPTEMBER 1996**

EXPENSES	MONTH NO 1	MONTH NO 2	MONTH NO 3	MONTH NO 4	MONTH NO 5	MONTH NO 6	MONTH NO 7	MONTH NO 8	MONTH NO 9	MONTH NO 10	MONTH NO 11	MONTH NO 12	TOTAL
PROGRAM 1:	367,575	294,126	245,765	254,215	201,400	406,445	642,220	312,634	128,005	120,265	263,732	186,125	3,422,507
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	15,300	17,100	20,275	22,700	30,400	23,000	17,500	19,325	16,000	16,500	14,100	17,800	230,000
PROGRAM 4:	1,320	3,960	4,290	5,940	9,900	4,620	1,650	2,970	2,640	1,320	3,300	1,980	43,890
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	9,837	4,260	1,771	18,240	10,673	13,129	12,360	16,920	12,420	10,120	3,323	16,250	129,303
PROGRAM 7:	44,631	44,120	58,284	59,170	73,243	76,849	55,597	56,463	47,508	53,504	40,846	45,975	656,189
PROGRAM 8:	83,195	46,435	69,331	65,220	58,955	77,330	53,241	85,515	52,190	70,583	69,765	47,199	778,958
PROGRAM 9:	0	16,350	5,475	0	5,250	12,150	7,575	3,900	19,750	11,625	16,645	10,075	108,795
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
<b>TOTAL</b>	<b>521,857</b>	<b>426,351</b>	<b>405,191</b>	<b>425,485</b>	<b>389,821</b>	<b>613,524</b>	<b>790,143</b>	<b>497,726</b>	<b>278,513</b>	<b>283,917</b>	<b>411,711</b>	<b>325,404</b>	<b>5,369,643</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	521,857	426,351	405,191	425,485	389,821	613,524	790,143	497,726	278,513	283,917	411,711	325,404	5,369,643

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

CONSERVATION REVENUES	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REV	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV ADJ REVS	(417,530)	(506,383)	(678,272)	(973,050)	(861,752)	(788,324)	(426,852)	(322,145)	(280,628)	(263,477)	(242,479)	(263,562)	(6,024,454)
4. TOTAL REVENUES	(417,530)	(506,383)	(678,272)	(973,050)	(861,752)	(788,324)	(426,852)	(322,145)	(280,628)	(263,477)	(242,479)	(263,562)	(6,024,454)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(87,789)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(87,788)	(1,053,457)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(505,319)	(594,171)	(766,060)	(1,060,838)	(949,540)	(876,112)	(514,640)	(409,933)	(368,416)	(351,265)	(330,267)	(351,350)	(7,077,911)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	521,857	426,351	405,191	425,485	339,821	613,524	790,143	497,726	278,513	283,917	411,711	325,404	5,369,643
8. TRUE-UP THIS PERIOD	16,538	(167,820)	(360,869)	(635,353)	(559,719)	(262,588)	275,503	87,793	(89,903)	(67,348)	81,444	(25,946)	(1,708,269)
9. INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(4,902)	(4,809)	(5,686)	(7,433)	(9,427)	(11,017)	(10,710)	(9,447)	(9,201)	(9,243)	(8,755)	(8,265)	(98,895)
10. TRUE-UP & INT. PROV. BEGINNING OF MONTH	(1,053,457)	(954,032)	(1,038,873)	(1,317,641)	(1,872,639)	(2,353,997)	(2,539,814)	(2,187,233)	(2,021,099)	(2,032,415)	(2,021,219)	(1,860,742)	
11. PRIOR TRUE-UP COLLECTED (REFUNDED)	87,789	87,788	87,788	87,788	87,788	87,788	87,788	87,788	87,788	87,788	87,788	87,788	
12. TOTAL NET TRUE-UP (FROM LINES 8+9-10+11)	(954,032)	(1,038,873)	(1,317,641)	(1,872,639)	(2,353,997)	(2,539,814)	(2,187,233)	(2,021,099)	(2,032,415)	(2,021,219)	(1,860,742)	(1,807,164)	(1,807,164)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	(1,053,457)	(954,032)	(1,038,873)	(1,317,641)	(1,872,639)	(2,353,997)	(2,539,814)	(2,187,233)	(2,021,099)	(2,032,415)	(2,021,219)	(1,860,742)	
2. ENDING TRUE-UP BEFORE INTEREST	(949,130)	(1,034,064)	(1,311,955)	(1,865,205)	(2,344,570)	(2,528,797)	(2,176,523)	(2,011,652)	(2,023,214)	(2,011,975)	(1,851,987)	(1,798,900)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(2,002,587)	(1,988,096)	(2,350,828)	(3,182,846)	(4,217,208)	(4,882,794)	(4,716,337)	(4,198,885)	(4,044,313)	(4,044,390)	(3,873,205)	(3,659,641)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,001,293)	(994,048)	(1,175,414)	(1,591,423)	(2,108,604)	(2,441,397)	(2,358,168)	(2,099,442)	(2,022,157)	(2,022,195)	(1,936,603)	(1,829,821)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.940%	5.810%	5.800%	5.810%	5.400%	5.330%	5.500%	5.400%	5.400%	5.520%	5.450%	5.400%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.810%	5.800%	5.810%	5.400%	5.330%	5.500%	5.400%	5.400%	5.520%	5.450%	5.400%	5.440%	
7. TOTAL (SUM LINES 5 & 6)	11.750%	11.610%	11.610%	11.210%	10.730%	10.830%	10.900%	10.800%	10.920%	10.970%	10.850%	10.840%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.875%	5.805%	5.805%	5.605%	5.365%	5.415%	5.450%	5.400%	5.460%	5.485%	5.425%	5.420%	
9. MONTHLY AVG INTEREST RATE	0.490%	0.484%	0.484%	0.467%	0.447%	0.451%	0.454%	0.450%	0.455%	0.457%	0.452%	0.452%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(4,902)	(4,809)	(5,686)	(7,433)	(9,427)	(11,017)	(10,710)	(9,447)	(9,201)	(9,243)	(8,755)	(8,265)	(98,895)

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

NOT APPLICABLE TO PEOPLES GAS SYSTEM, INC.

Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

Name: Single Family 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:	5,252
New Homes Connected:	<u>5,108</u>
Variance:	144
Percent of Goal:	97.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$3,518,794
Actual Cost:	\$3,422,507
Variance:	\$96,287

( ) Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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

( ) Reflects Overrecovery



Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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:	3,000
Actual:	<u>2,300</u>
Variance:	700
Percent of Goal:	76.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$300,000
Actual Cost:	\$230,000
Variance:	\$70,000

( ) Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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:	0
Actual:	<u>0</u>
Variance:	0
Percent of Goal:	0.0%

Conservation Cost Variance - Actual Vs. Projected

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

( ) Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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 of 100 KWD deferred or:

**Program Summary**

Program Goal:	8,069
Program Accomplishments:	3,233
Variance:	<u>4,836</u>
Percent of Goal:	40.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$322,740
Actual Cost:	\$129,303
Variance:	\$193,437

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Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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 Water Heat.....	\$440
	Natural Gas Furnace.....	\$440
	Natural Gas Range.....	\$75
	Natural Gas Dryer.....	\$75
	Natural Gas Space Heat.....	\$65

**Program Summary**

Program Goal:	1,726
Program Accomplishments:	<u>1,864</u>
Variance:	(139)
Percent of Goal:	108.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$741,996
Actual Cost:	\$656,190
Variance:	\$85,806

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Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

Name:

Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$857,100
Actual Cost:	\$778,959
Variance:	\$78,141

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Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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 100tons maximum paid allowance/installation at: \$150 /ton

Program Summary

Goals:	1,750
Actual:	<u>725</u>
Variance:	1,025
Percent of Goal:	41.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$262,500
Actual Cost:	\$108,795
Variance:	\$153,705

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Program Progress Report

Reporting Period: OCTOBER 1995 THROUGH SEPTEMBER 1996

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by hand delivery (\*) or by United States Mail, postage prepaid, on the following individuals this 19<sup>th</sup> day of November, 1996:

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