

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 970002-EG  
FILED: JANUARY 13, 1997

DIRECT TESTIMONY  
OF  
VERNON I. KRUTSINGER

On Behalf Of

PEOPLES GAS SYSTEM, INC.

- ACK \_\_\_\_\_
- AFA 2
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG** \_\_\_\_\_
- LEG 1
- LIN 3 rny
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER 12 E  
00412 JAN 13 97  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: CONSERVATION COST RECOVERY CLAUSE,  
DOCKET NO. 970002-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, 400 Tampa Street,  
4 Post Office Box 2562, Tampa, Florida 33601-2562.

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 the same Vernon I. Krutsinger who previously filed  
11 testimony in this proceeding?

12 A: Yes. My earlier direct testimony, filed in Docket No.  
13 960002-EG on November 19, 1996, addressed Peoples'  
14 requested energy conservation cost recovery ("ECCR") true-  
15 up amount for the period October 1995 through September  
16 1996.

17

18 Q: Are you familiar with Peoples Gas System's energy  
19 conservation programs?

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

**DIRECT TESTIMONY OF VERNON I. KRUTSINGER**

1 **Q: Are you familiar with the costs that Peoples incurs in**  
2 **implementing its energy conservation programs?**

3 A: Yes. I am responsible for planning, implementation,  
4 coordination, and maintenance of all of Peoples' energy  
5 conservation programs. My responsibilities include  
6 routinely testifying in support of the Company's ECCR  
7 filings.

8  
9 **Q: Have you previously testified in proceedings before the**  
10 **Florida Public Service Commission?**

11 A: Yes. I have testified in several Conservation Cost  
12 Recovery proceedings beginning in 1992. I have also  
13 testified in other conservation-related dockets before the  
14 Commission.

15  
16 **Q: What is the purpose of your testimony in this docket?**

17 A: My testimony in this docket addresses Peoples' energy  
18 conservation programs and the costs that Peoples seeks to  
19 recover through the energy conservation cost recovery  
20 ("ECCR") clause. Specifically, this part of my testimony  
21 first presents data and summaries concerning the planned  
22 and actual accomplishments of the Company's energy  
23 conservation programs during the period October 1, 1995  
24 through September 30, 1996. Data related to calculation of  
25 the true-up amount for this period is also presented.

**DIRECT TESTIMONY OF VERNON I. KRUTSINGER**

1 Second, my testimony describes generally the expenditures  
2 made and projected to be made in implementing, promoting,  
3 and operating Peoples' energy conservation programs for the  
4 current period; this information includes actual costs  
5 incurred in October and November 1996 and revised  
6 projections of program costs that Peoples expects to incur  
7 from December 1996 through September 1997. Next, my  
8 testimony presents projected conservation program costs for  
9 the period October 1, 1997 through March 31, 1998.  
10 Finally, my testimony presents the calculation of the  
11 conservation cost recovery adjustment factors to be applied  
12 to customers' bills during the period beginning April 1,  
13 1997 and continuing through March 31, 1998.

14

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

16 A: Yes. I am sponsoring Exhibit \_\_\_\_ (VIK-2), which contains  
17 Schedules C-1 through C-5. These exhibits were prepared  
18 under my supervision and direction.

19

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

22 A: Yes. Summaries of the Company's programs are presented in  
23 Schedule C-5, Pages 1 of 10 through 10 of 10.

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Q: Have you prepared schedules that show the expenditures  
2 associated with Peoples' energy conservation programs for  
3 the periods that your testimony addresses?

4 A: Yes. Actual expenses for the period October 1995 through  
5 September 1996 are shown on Schedule CT-2, Page 2, of  
6 Exhibit \_\_\_\_\_ (VIK-1). Exhibit \_\_\_\_\_ (VIK-1) was included  
7 with my earlier direct testimony. Page 1 of Schedule CT-2  
8 presents a comparison of the actual program costs and true-  
9 up amount to the projected costs and true-up amount for the  
10 same period.

11  
12 Q: What was the total cost incurred by the Company in  
13 connection with its approved energy conservation programs  
14 during the year ending September 30, 1996?

15 A: The total cost incurred by Peoples in connection with its  
16 approved energy conservation programs for the year ending  
17 September 30, 1996 was \$5,369,644.

18  
19 Q: What is presented on Schedule C-1 of Exhibit \_\_\_\_\_ (VIK-2)?

20 A: Schedule C-1 presents a summary of the calculation of  
21 Peoples' ECCR cost recovery factors.  
22  
23

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Q: Have you prepared a schedule that shows Peoples' projected  
2 conservation program costs by month for the period October  
3 1, 1997 through March 31, 1998?

4 A: Yes. The Company's projected ECCR costs for this period  
5 are presented in Schedule C-2: Page 1 of 3 presents the  
6 projected monthly ECCR costs by program, and Page 2 of 3  
7 presents these costs by cost category for each program.  
8 Page 3 of 3 is not applicable to Peoples Gas System, Inc.

9

10 Q: Have you prepared a schedule that shows Peoples'  
11 conservation program costs for the year ending September  
12 30, 1997?

13 A: Yes. Schedule C-3 presents Peoples' ECCR costs for the  
14 year ending September 30, 1997. Pages 1 through 3 of 7  
15 show total annual costs by program and by cost category.  
16 Page 4 of 7 is not applicable to Peoples Gas System.  
17 Schedule C-3, Page 5 of 7 presents monthly costs for each  
18 of Peoples' approved conservation programs for the period  
19 October 1996 through September 1997; actual data are  
20 presented for October and November 1996, while the program  
21 expense data are projected for the last ten months of the  
22 year ending September 30, 1997. Page 6 of 7 presents the  
23 monthly cost and revenue data -- two months actual and ten  
24 months estimated -- used to calculate the net true-up for  
25 the period October 1, 1996 through September 30, 1997.

DIRECT TESTIMONY OF VERNON I. KRUTSINGER

1 Page 7 of 7 presents the monthly calculation of the  
2 interest provision associated with the true-up or the same  
3 period.

4

5 Q: Have you prepared schedules required for the calculation of  
6 Peoples' proposed conservation adjustment factors to be  
7 applied during billing periods beginning on April 1, 1997  
8 and continuing through March 31, 1998?

9 A: Yes. These calculations are summarized on Schedule C-1 of  
10 Exhibit \_\_\_\_ (VIK-2).

11

12 Q: What are the ECCR factors that Peoples is requesting  
13 authority to apply for the period April 1, 1997 through  
14 March 31, 1998?

15 A: Schedule C-1 shows the estimated ECCR revenues and ECCR  
16 adjustment factors by rate class for the period April 1,  
17 1997 through March 31, 1998.

18

19 Q: Does this conclude this part of your prefiled direct  
20 testimony regarding Peoples' requested ECCR costs?

21 A: Yes, it does.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

DOCKET NO. 970002-EG  
FILED: JANUARY 13, 1997

**EXHIBIT**

OF

**VERNON I. KRUTSINGER**

On Behalf Of

**PEOPLES GAS SYSTEM, INC.**

DOCUMENT NUMBER 97-0002-EG  
00412 JAN 13 97  
FPSC-RECORDS/REPORTING



**Peoples Gas System, Inc.**

**Energy Conservation Program**

**"C" FILING**

---

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: OCTOBER 1997 THROUGH MARCH 1998  
 ACTUAL/ESTIMATED PERIOD: OCTOBER 1996 THROUGH SEPTEMBER 1997  
 FINAL TRUE-UP PERIOD: OCTOBER 1995 THROUGH SEPTEMBER 1996  
 COLLECTION PERIOD FOR PRIOR TRUE-UP: APRIL 1997 THROUGH MARCH 1998

1	INCREMENTAL COSTS (SCHEDULE C-2)	2,617,550
2	TRUE-UP (SCHEDULE C-3)	739,612
3	TOTAL	3,357,162

RATE CLASS	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
RESIDENTIAL	2,197,029	43,435,551	15,379,203	17,859,396	33,238,599	1,268,420	3.8161%	0.0292	1.00376	0.02931
COMM ST LIGHTING	630	527,120	0	49,797	49,797	1,900	3.8161%	0.0036	1.00376	0.00362
SMALL COMMERCIAL	61,168	2,558,823	917,520	863,296	1,780,816	67,958	3.8161%	0.0266	1.00376	0.02666
COMMERCIAL	178,170	94,476,264	3,028,890	23,027,645	26,056,535	994,345	3.8161%	0.0105	1.00376	0.01056
COMM LR VOL 1	19,682	109,802,647	492,050	24,002,859	24,494,909	934,752	3.8161%	0.0085	1.00376	0.00854
COMM LR VOL 2	339	14,024,340	15,255	2,265,632	2,280,887	87,041	3.8161%	0.0062	1.00376	0.00623
NGVS	276	976,600	6,900	65,061	71,961	2,746	3.8161%	0.0028	1.00376	0.00282
TOTAL	2,457,294	265,801,345	19,839,818	68,133,686	87,973,504	3,357,162				



PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Residential Home Builder	0	0	0	0	1,500,000	0	0	0	1,500,000
2 Energy Audit Program	0	0	0	0	0	0	0	0	0
3 Gas Water Heater Load Ret.	0	0	0	0	150,000	0	0	0	150,000
4 Oil Heat Replacement	0	0	0	0	21,000	0	0	0	21,000
5 Small Package CoGen.	0	0	0	0	0	0	0	0	0
6 Comm. Electric Replacement	0	0	0	0	70,000	0	0	0	70,000
7 Res. Electric Replacement	0	0	0	0	360,000	0	0	0	360,000
8 Common Costs	0	138,750	13,800	0	0	165,000	23,400	76,000	416,950
9 Gas Space Conditioning	0	0	0	0	99,600	0	0	0	99,600
10 Monitoring & Research	0	0	0	0	0	0	0	0	0
11 RESERVED	0	0	0	0	0	0	0	0	0
12 (INSERT NAME)	0	0	0	0	0	0	0	0	0
13 (INSERT NAME)	0	0	0	0	0	0	0	0	0
14 (INSERT NAME)	0	0	0	0	0	0	0	0	0
15 (INSERT NAME)	0	0	0	0	0	0	0	0	0
16 (INSERT NAME)	0	0	0	0	0	0	0	0	0
17 (INSERT NAME)	0	0	0	0	0	0	0	0	0
18 (INSERT NAME)	0	0	0	0	0	0	0	0	0
19 (INSERT NAME)	0	0	0	0	0	0	0	0	0
20 (INSERT NAME)	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>0</b>	<b>138,750</b>	<b>13,800</b>	<b>0</b>	<b>2,200,600</b>	<b>165,000</b>	<b>23,400</b>	<b>76,000</b>	<b>2,617,550</b>
<b>LESS AMOUNT IN RATE BASE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RECOVERABLE CONSER</b>	<b>0</b>	<b>138,750</b>	<b>13,800</b>	<b>0</b>	<b>2,200,600</b>	<b>165,000</b>	<b>23,400</b>	<b>76,000</b>	<b>2,617,550</b>

CONSERVATION PROGRAM COSTS - CAPITAL INVESTMENTS,  
DEPRECIATION AND RETURN  
FOR MONTHS **OCTOBER 1997 THROUGH MARCH 1998**

**NOT APPLICABLE TO Pgs**

BEGINNING OF PERIOD CUMULATIVE INVESTMENT	0
LESS ACCUMULATED DEPRECIATION	0
NET INVESTMENT	0

DESCRIPTION	MONTH NO 1	MONTH NO 2	MONTH NO 3	MONTH NO 4	MONTH NO 5	MONTH NO 6	TOTAL
INVESTMENT	0	0	0	0	0	0	0
DEPRECIATION BASE	0	0	0	0	0	0	0
DEPRECIATION EXPENSE	0	0	0	0	0	0	0
CUMULATIVE INVEST	0	0	0	0	0	0	0
LESS ACCUM. DEPR	0	0	0	0	0	0	0
NET INVESTMENT	0	0	0	0	0	0	0
AVERAGE INVESTMENT	0	0	0	0	0	0	
RETURN ON AVG INVEST	0	0	0	0	0	0	0
RETURN REQUIREMENTS	0	0	0	0	0	0	0
TOTAL DEPR & RETURN	0	0	0	0	0	0	0

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD **OCTOBER 1996 THROUGH SEPTEMBER 1997**  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
<b>1 Residential Home Builder</b>									
A ACTUAL	0	0	0	0	331,010	0	0	0	331,010
B ESTIMATED	0	0	0	0	2,468,990	0	0	0	2,468,990
	0	0	0	0	2,800,000	0	0	0	2,800,000
<b>2 Energy Audit Program</b>									
A ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>3 Gas Water Heater Load Red.</b>									
A ACTUAL	0	0	0	0	40,500	0	0	0	40,500
B ESTIMATED	0	0	0	0	259,500	0	0	0	259,500
	0	0	0	0	300,000	0	0	0	300,000
<b>4 Oil Heat Replacement</b>									
A ACTUAL	0	0	0	0	4,950	0	0	0	4,950
B ESTIMATED	0	0	0	0	37,050	0	0	0	37,050
	0	0	0	0	42,000	0	0	0	42,000
<b>5 Small Package CoGen.</b>									
A ACTUAL	0	0	0	0	0	0	0	0	0
B ESTIMATED	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>6 Comm. Electric Replacement</b>									
A ACTUAL	0	0	0	0	7,830	0	0	0	7,830
B ESTIMATED	0	0	0	0	132,570	0	0	0	132,570
	0	0	0	0	140,400	0	0	0	140,400
<b>7 Res. Electric Replacement</b>									
A ACTUAL	0	0	0	0	97,645	0	0	0	97,645
B ESTIMATED	0	0	0	0	622,355	0	0	0	622,355
	0	0	0	0	720,000	0	0	0	720,000
<b>SUB-TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,002,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,002,400</b>

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD **OCTOBER 1996 THROUGH SEPTEMBER 1997**  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
BALANCE FROM PREVIOUS PAGE	0	0	0	0	4,002,400	0	0	0	4,002,400
<b>8 Common Costs</b>									
A ACTUAL	0	103,264	170	0	0	38,112	7,871	32,972	182,389
B ESTIMATED	0	174,236	27,430	0	0	291,888	38,929	119,028	651,511
C TOTAL	0	277,500	27,600	0	0	330,000	46,800	152,000	833,900
<b>9 Gas Space Conditioning</b>									
A ACTUAL	0	0	0	0	9,215	0	0	0	9,215
B ESTIMATED	0	0	0	0	189,985	0	0	0	189,985
C TOTAL	0	0	0	0	199,200	0	0	0	199,200
<b>10 Monitoring &amp; Research</b>									
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
<b>11 RESERVED</b>									
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
<b>12 (INSERT NAME)</b>									
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
<b>13 (INSERT NAME)</b>									
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
<b>SUB-TOTAL</b>	<b>0</b>	<b>277,500</b>	<b>27,600</b>	<b>0</b>	<b>4,201,600</b>	<b>330,000</b>	<b>46,800</b>	<b>152,000</b>	<b>5,035,500</b>

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD OCTOBER 1996 THROUGH SEPTEMBER 1997  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
BALANCE FROM PREVIOUS PAGE	0	277,500	27,600	0	4,201,600	330,000	46,800	152,000	5,035,500
14 (INSERT NAME)									
(INSERT NAME)	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
15 (INSERT NAME)									
(INSERT NAME)	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
16 (INSERT NAME)									
(INSERT NAME)	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
17 (INSERT NAME)									
(INSERT NAME)	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
18 (INSERT NAME)									
(INSERT NAME)	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
19 (INSERT NAME)									
(INSERT NAME)	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
20 (INSERT NAME)									
(INSERT NAME)	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 PROG COSTS	0	277,500	27,600	0	4,201,600	330,000	46,800	152,000	5,035,500
LESS BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0
NET PROG COSTS	0	277,500	27,600	0	4,201,600	330,000	46,800	152,000	5,035,500







ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR PERIOD OCTOBER 1996 THROUGH SEPTEMBER 1997  
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

CONSERVATION REVS	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 FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2 OTHER PROG REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3 CONSERV ADJ REVS	(274,752)	(314,025)	(392,271)	(513,156)	(500,144)	(430,700)	0	0	0	0	0	0	(2,425,048)
4 TOTAL REVENUES	(274,752)	(314,025)	(392,271)	(513,156)	(500,144)	(430,700)	0	0	0	0	0	0	(2,425,048)
5 PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(1,807,164)
6 CONSERV REVS APPLICABLE TO THE PERIOD	(425,349)	(464,622)	(542,868)	(663,753)	(650,741)	(581,297)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(150,597)	(4,232,212)
7 CONSERV EXPS	336,770	336,770	436,196	436,196	436,196	436,196	436,196	436,196	436,196	436,196	436,196	436,196	5,035,500
8 TRUE-UP THIS PERIOD	(88,580)	(127,853)	(106,672)	(227,557)	(214,545)	(145,101)	285,599	285,599	285,599	285,599	285,599	285,599	803,288
9 INTER PROVISION THIS PERIOD	(8,007)	(7,860)	(7,795)	(7,905)	(8,261)	(8,431)	(7,467)	(5,520)	(3,564)	(1,599)	375	2,358	(63,676)
10 TRUE-UP AND INTEREST PROV BEG OF MONTH	(1,807,164)	(1,753,154)	(1,738,269)	(1,702,139)	(1,787,004)	(1,859,213)	(1,862,149)	(1,433,419)	(1,002,743)	(570,110)	(135,513)	301,058	(1,807,164)
11 PRIOR TRUE-UP COLLECTED OR (REFUNDED)	150,597	150,597	150,597	150,597	150,597	150,597	150,597	150,597	150,597	150,597	150,597	150,597	1,807,164
12 TOTAL NET TRUE-UP	(1,753,154)	(1,738,269)	(1,702,139)	(1,787,004)	(1,859,213)	(1,862,149)	(1,433,419)	(1,002,743)	(570,110)	(135,513)	301,058	739,612	739,612

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD **OCTOBER 1996 THROUGH SEPTEMBER 1997**  
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

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	(1,807,164)	(1,753,154)	(1,738,269)	(1,702,139)	(1,787,004)	(1,859,213)	(1,862,149)	(1,433,419)	(1,002,743)	570,110)	(135,513)	301,058	
2. ENDING TRUE-UP BEFORE INTEREST	(1,745,147)	(1,730,409)	(1,694,344)	(1,779,099)	(1,850,952)	(1,853,717)	(1,425,953)	(997,223)	(566,547)	(133,914)	300,683	737,254	
3. TOTAL BEGINNING & ENDING TRUE-UP	(3,552,311)	(3,483,563)	(3,432,613)	(3,481,238)	(3,637,956)	(3,712,931)	(3,288,101)	(2,430,643)	(1,569,290)	(704,025)	165,170	1,038,313	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,776,155)	(1,741,782)	(1,716,307)	(1,740,619)	(1,818,978)	(1,856,465)	(1,644,051)	(1,215,321)	(784,645)	(352,012)	82,585	519,156	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	5.440%	5.380%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	
6. INTER RATE - FIRST DAY SUBSEQUENT MONTH	5.380%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	
7. TOTAL (SUM LINES 5 & 6)	10.820%	10.830%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.410%	5.415%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	
9. MONTHLY AVG INTEREST RATE	0.451%	0.451%	0.454%	0.454%	0.454%	0.454%	0.454%	0.454%	0.454%	0.454%	0.454%	0.454%	
10. INTEREST PROVISION	(8,007)	(7,860)	(7,795)	(7,905)	(8,261)	(8,431)	(7,467)	(5,520)	(3,564)	(1,599)	375	2,358	(63,676)

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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 gas appliance installation.

<b>Program Goals:</b>	Projected new home connections for this period:	4,179
	Actual connections to date this period	494
	Percent of goal for the two (2) months	11.8%

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$2,800,000
	Actual to date:	\$331,010

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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

**Program Goals:** Audit requests anticipated this period: 0

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

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Projected connections for this period:	3,000
	Actual connections to date this period:	405
	Percent of goal for the two (2) months:	13.5%

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$300,000
	Actual to date:	\$40,500

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

### Peoples Gas System, Inc.

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Projected new connections for this period:	127
	Actual connections to date this period:	15
	Percent of goal for the two (2) months:	11.8%

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$42,000
	Actual to date:	\$4,950



Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

### Peoples Gas System, Inc.

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Audit requests, or workshops this period:	0
-----------------------	---	---

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$0
	Actual to date:	\$0

---

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Projected KWD displaced this period:	<b>3,510</b>
	Actual KWD displaced this period:	<b>196</b>
	Percent of goal for the two (2) months:	<b>5.6%</b>

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$140,400</b>
	Actual to date:	<b>\$7,830</b>

---

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Projected new connections for this period:	2,988
	Actual connections to date this period:	325
	Percent of goal for the two (2) months:	10.9%

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$720,000
	Actual to date:	\$97,645

---

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

Peoples Gas System, Inc.

Reporting: OCTOBER 1996 THROUGH SEPTEMBER 1997

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:	Estimated for period:	\$833,900
	Actual to date:	\$182,389
	Percent of budget for two (2) months:	21.9%

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**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.

<b>Program Goals:</b>	Projected connections this period: (tons)	<b>1,328</b>
	Actual connections this period: (tons)	<b>61</b>
	Percent of goal for the two (2) months	<b>4.6%</b>

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$199,200</b>
	Actual to date:	<b>\$9,215</b>

Exhibit No. \_\_\_\_\_  
Docket No. 970002-EG  
Peoples Gas System, Inc.  
(VIK - 2)

**Peoples Gas System, Inc.**

**Reporting:** OCTOBER 1996 THROUGH SEPTEMBER 1997

**Name:** Program Monitoring, Evaluation and Research Demonstration

**Description:** 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.

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$0
	Actual to date:	\$0
	<b>Percent of budget for two (2) months:</b>	<b>0.0%</b>

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 13<sup>th</sup> day of

January, 1997:

Sheila Erstling, Esquire\*  
Division of Legal Services  
Florida Public Service Commission  
Gunter Eldg., Room 370  
2540 Shumard Oak Bld.  
Tallahassee, Florida 32399-0862

Lee L. Willis, Esquire  
James D. Beasley, Esquire  
Macfarlane, Ausley, Ferguson &  
McMullen  
227 S. Calhoun Street  
Tallahassee, Florida 32301

Jack Shreve, Esquire  
John Roger Howe  
Deputy Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
Tallahassee, Florida 32399-1400

Wayne L. Schiefelbein  
Gatlin, Woods, Carlson & Cowdery  
1709-D Mahan Drive  
Tallahassee, Florida 32308

Jeffrey A. Stone, Esquire  
G. Edison Holland, Esquire  
Beggs & Lane  
P.O. Box 12950  
Pensacola, FL 32576-2950

Joseph A. McGlothlin, Esquire  
Vicki Gordon Kaufman, Esquire  
McWhirter, Reeves, et al.  
117 S. Gadsden Street  
Tallahassee, FL 32301

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, et al.  
Post Office Box 3350  
Tampa, FL 33601

Floyd R. Self, Esquire  
Messer, Vickers, et al.  
215 S. Monroe Street  
Suite 701  
Tallahassee, FL 32301

Debbie Stitt  
Energy Conservation Analyst  
St. Joe Natural Gas Company  
Post Office Drawer 549  
Port St. Joe, FL 32456

James A. McGee, Esquire  
Florida Power Corporation  
Post Office Box 14042  
St. Petersburg, FL 33733

Charles Guyton, Esquire  
Steel, Hector & Davis  
215 S. Monroe St., Ste. 601  
Barnett Bank Bldg.  
Tallahassee, FL 32301

  
ROBERT SCHEFFEL WRIGHT

CERTIFICATE OF SERVICE

V.I. KRUTSINGER

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 13<sup>th</sup> day of January, 1997:

Sheila Erstling, Esquire\*  
Division of Legal Services  
Florida Public Service Commission  
Gunter Bldg., Room 370  
2540 Shumard Oak Bld.  
Tallahassee, Florida 32399-0862

Floyd R. Self, Esquire  
Messer, Vickers, et al.  
215 S. Monroe Street  
Suite 701  
Tallahassee, FL 32301

Lee L. Willis, Esquire  
James D. Beasley, Esquire  
Macfarlane, Ausley, Ferguson &  
McMullen  
227 S. Calhoun Street  
Tallahassee, Florida 32301

Debbie Stitt  
Energy Conservation Analyst  
St. Joe Natural Gas Company  
Post Office Drawer 549  
Port St. Joe, FL 32456

Jack Shreve, Esquire  
John Roger Howe  
Deputy Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
Tallahassee, Florida 32399-1400

James A. McGee, Esquire  
Florida Power Corporation  
Post Office Box 14042  
St. Petersburg, FL 33733

Wayne L. Schiefelbein  
Gatlin, Woods, Carlson & Cowdery  
1709-D Mahan Drive  
Tallahassee, Florida 32308

Charles Guyton, Esquire  
Steel, Hector & Davis  
215 S. Monroe St., Ste. 601  
Barnett Bank Bldg.  
Tallahassee, FL 32301

  
ROBERT SCHEFFEL WRIGHT

Jeffrey A. Stone, Esquire  
G. Edison Holland, Esquire  
Beggs & Lane  
P.O. Box 12950  
Pensacola, FL 32576-2950

Joseph A. McGlothlin, Esquire  
Vicki Gordon Kaufman, Esquire  
McWhirter, Reeves, et al.  
117 S. Gadsden Street  
Tallahassee, FL 32301

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, et al.  
Post Office Box 3350  
Tampa, FL 33601

00412-97  
1/13/97