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September 2, 1998

IN REPLY REFER TO:

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e-mail: aw@macfar.com

VIA FEDERAL EXPRESS

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

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RECORDS AND
REPORTING

Re: Docket No. 980002-EG -- Energy Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed for filing with the Commission in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 15 copies of the following:

- ◆ Peoples' Petition for Approval of True-Up Amounts for the period October 1997 through April 1998 (attributable to conservation programs of the former Peoples Gas System, Inc., and of the former West Florida Natural Gas Company); *09654-98*
- ◆ Direct Testimony of Vernon I. Krutsinger on behalf of Peoples; *09655-98*
- ◆ Exhibit ___ (VIK-1) (attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region; and *09656-98*
- ◆ Exhibit ___ (VIK-2) (also attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region. *09657-98*

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on February 17, 1999.

A diskette -- containing both the enclosed petition and the Direct Testimony of Mr. Krutsinger -- is also enclosed.

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FPSC BUREAU OF RECORDS

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PAFA *Waudiver* _____
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Blanca S. Bayo, Director
September 2, 1998
Page 2

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Mr. Vernon Krutsinger
Mr. J. Brent Caldwell
All Parties of Record

ORIGINAL

Exhibit No. 980002-EG
Docket No. 980002-EG
Peoples Gas System
(WK - 2)

Peoples Gas System

WEST FLORIDA REGION

CONSERVATION COST RECOVERY TRUE-UP DATA

OCTOBER 1997 THROUGH MARCH 1998

Hearing:

February 17, 1999

DOCUMENT NUMBER-DATE

09657 SEP-4 98

FT SC-RECORDS/REPORTING

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FLORIDA PUBLIC
SERVICE COMMISSION
98 SEP -4 AM 11:08
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**PEOPLES GAS SYSTEM
ADJUSTED NET TRUE-UP**

FOR MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

END OF PERIOD NET TRUE-UP

	PRINCIPAL	(248,154)	
	INTEREST	(5,205)	(253,399)

LESS PROJECTED TRUE-UP

	PRINCIPAL	(100,927)	
	INTEREST	(5,669)	(106,596)

			(146,803)
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	16,165	52,077	(35,912)
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	33,291	55,196	(21,905)
INCENTIVES	266,083	358,113	(92,030)
OUTSIDE SERVICES	933	1,000	(67)
VEHICLES	0	0	0
OTHER	50	0	50
SUB-TOTAL	316,522	466,386	(149,864)
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	316,522	466,386	(149,864)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT			
REVENUES	(564,716)	(463,682)	(101,034)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(248,194)	2,704	(250,898)
INTEREST PROVISION	(5,205)	(5,669)	464
END OF PERIOD TRUE-UP	(253,399)	(2,965)	(250,434)

() REFLECTS OVER-RECOVERY

* 3 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	120	172,606	0	0	0	172,726
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	1,000	14,080	0	0	0	15,080
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	1,252	0	0	0	0	1,252
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	11,769	0	0	0	11,769
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	16,593	52,325	0	0	0	68,918
PROGRAM 8: COMMON COSTS	0	16,165	0	14,326	0	933	0	50	31,474
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	(3,882)	0	0	0	(3,882)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: ESP PROGRAM	0	0	0	0	19,185	0	0	0	19,185
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	0	16,165	0	33,291	266,083	933	0	50	316,522

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	(20,771)	0	(13,236)	18,481	0	0	0	(15,526)
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	(4,225)	0	(2,193)	(7,055)	0	0	0	(13,473)
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	1,252	0	0	0	0	1,252
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	(3,291)	0	(5,843)	(7,965)	0	0	0	(17,099)
PROGRAM 7: RES ELECTRIC REPLACE	0	(9,714)	0	(8,445)	(57,325)	0	0	0	(75,484)
PROGRAM 8: COMMON COSTS	0	16,165	0	14,326	0	(67)	0	50	30,474
PROGRAM 9: GAS SPACE CONDITIONING	0	(13,041)	0	(4,743)	(46,994)	0	0	0	(64,778)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: ESP PROGRAM	0	(1,035)	0	(3,023)	8,828	0	0	0	4,770
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	0	(35,912)	0	(21,905)	(92,030)	(67)	0	50	(149,864)

() 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 1997 THROUGH MARCH 1998**

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:	15,015	30	27,770	45,100	31,311	53,500	0	0	0	0	0	0	172,726
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	3,000	(2,970)	7,600	1,500	2,600	3,350	0	0	0	0	0	0	15,080
PROGRAM 4:	0	0	412	840	0	0	0	0	0	0	0	0	1,252
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	1,601	2,030	720	2,160	3,818	1,440	0	0	0	0	0	0	11,769
PROGRAM 7:	15,950	(3,633)	10,973	21,678	11,068	12,882	0	0	0	0	0	0	68,918
PROGRAM 8:	0	(7,602)	4,494	7,828	8,649	18,105	0	0	0	0	0	0	31,474
PROGRAM 9:	4,081	(9,063)	0	400	0	700	0	0	0	0	0	0	(3,882)
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	6,035	2,755	3,395	1,750	1,100	4,150	0	0	0	0	0	0	19,185
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	45,682	(18,453)	55,364	81,256	58,546	94,127	0	0	0	0	0	0	316,522
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	45,682	(18,453)	55,364	81,256	58,546	94,127	0	0	0	0	0	0	316,522

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

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	(35,129)	(51,545)	(109,060)	(88,174)	(86,470)	(93,304)	0	0	0	0	0	0	(463,682)
4. TOTAL REVENUES	(35,129)	(51,545)	(109,060)	(88,174)	(86,470)	(93,304)	0	0	0	0	0	0	(463,682)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(16,839)	(16,839)	(16,839)	(16,839)	(16,839)	(16,839)	0	0	0	0	0	0	(101,034)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(51,968)	(68,384)	(125,899)	(105,013)	(103,309)	(110,143)	0	0	0	0	0	0	(564,716)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	45,682	(18,453)	55,364	81,256	58,546	94,127	0	0	0	0	0	0	316,522
8. TRUE-UP THIS PERIOD	(6,286)	(86,837)	(70,535)	(23,757)	(44,763)	(16,016)	0	0	0	0	0	0	(246,194)
9. INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(441)	(584)	(891)	(1,029)	(1,094)	(1,166)	0	0	0	0	0	0	(5,205)
10. TRUE-UP & INT. PROV. BEGINNING OF MONTH	(101,034)	(30,922)	(161,504)	(216,091)	(224,038)	(253,055)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	
11. PRIOR TRUE-UP COLLECTED (REFUNDED)	16,839	16,839	16,839	16,839	16,839	16,839	0	0	0	0	0	0	
12. TOTAL NET TRUE-UP (SUM LINES 8-11+10-11)	(90,922)	(161,504)	(216,091)	(224,038)	(253,055)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

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	(101,034)	(90,922)	(161,504)	(216,091)	(224,038)	(253,055)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	
2. ENDING TRUE-UP BEFORE INTEREST	(90,481)	(160,920)	(215,200)	(223,009)	(251,962)	(252,232)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(191,515)	(251,843)	(376,705)	(439,100)	(475,999)	(505,288)	(506,798)	(506,798)	(506,798)	(506,798)	(506,798)	(506,798)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(95,758)	(125,921)	(188,352)	(219,550)	(238,000)	(252,644)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	(253,399)	
5. INTER. RATE - 1ST DAY OF REPORTING MONT	5.530%	5.530%	5.600%	5.750%	5.500%	5.530%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.530%	5.800%	5.750%	5.500%	5.530%	5.550%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
7. TOTAL (SUM LINES 5 & 6)	11.060%	11.130%	11.350%	11.250%	11.030%	11.080%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.530%	5.565%	5.675%	5.625%	5.515%	5.540%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
9. MONTHLY AVG INTEREST RATE	0.461%	0.464%	0.473%	0.469%	0.460%	0.462%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(441)	(584)	(891)	(1,029)	(1,094)	(1,166)	0	0	0	0	0	0	(5,205)

FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

NOT APPLICABLE TO PEOPLES GAS SYSTEM

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

RECONCILIATION AND EXPLANATION
OF DIFFERENCES BETWEEN FILING AND THE FPSC AUDIT FOR THE PERIOD

NOT APPLICABLE TO PEOPLES GAS SYSTEM

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Single Family Residential Home Builder Program

Name:

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:	314
New Homes Connected:	288
Variance:	26
Percent of Goal:	91.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$188,252
Actual Cost:	\$172,726
Variance:	\$15,526

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Conservation Service Program

Name:

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 Change
Mini-Walk Through Audit:	No Change

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 1997 THROUGH MARCH 1998

Water Heater Load Retention Program

Name:

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:	286
Actual:	181
Variance:	135
Percent of Goal:	62.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$28,553
Actual Cost:	\$15,080
Variance:	\$13,473

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Replacement of Oil Heating Program

Name:
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..... \$500

Program Summary

Goals:	0
Actual:	4
Variance:	(4)
Percent of Goal:	NA

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$1,252
Variance:	(\$1,252)

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Small Package Cogeneration Program

Name:

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:	0
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 1997 THROUGH MARCH 1998

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 Goal:

962

Program Accomplishments:

294

Variance:

668

Percent of Goal:

30.6%

Program Summary

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$28,868
Actual Cost:	\$11,769
Variance:	\$17,099

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Electric Replacement Program

Name:

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.....	\$250
Natural Gas Furnace.....	\$500
Natural Gas Range.....	\$150
Natural Gas Dryer.....	\$150
Natural Gas Space Heat.....	\$150

Program Summary

Program Goal:	336
Program Accomplishments:	196
Variance:	140
Percent of Goal:	58.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$144,402
Actual Cost:	\$68,918
Variance:	\$75,484

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,000
Actual Cost:	\$31,474
Variance:	(\$30,474)

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Gas Space Conditioning Program

Name:

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 1000hrs maximum paid allowance/installation at: \$100 /ton

Program Summary

Goals:	609
Actual:	(28)
Variance:	635
Percent of Goal:	-4.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$60,896
Actual Cost:	(\$3,862)
Variance:	\$64,778

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

ENERGY SAVINGS PAYBACK (ESP) PROGRAM

Program Summary:

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. I
level of standard gas or electric appliances.

Installation allowance is \$50.00 per Appliance

Conservation Cost Variance - Actual Vs. Projected	
Projected Cost:	\$14,415
Actual Cost:	\$19,185
Variance:	(\$4,770)

() Reflects Overrecovery