

**ORIGINAL**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

DOCKET NO. 990002-EG

Submitted for Filing:  
10-21-99

**REVISED DIRECT TESTIMONY AND EXHIBITS**

**of**

**BRUCE NARZISSENFELD**

**on behalf of**

**PEOPLES GAS SYSTEM**

**(Revised October 20, 1999)**

DOCUMENT NUMBER-DATE  
12904 OCT 21 99  
FPSC-RECORDS/REPORTING

1 Q. Please state your name, business address, by whom you are  
2 employed, and in what capacity?

3  
4 A. My name is Bruce Narzissenfeld. My business address is  
5 Peoples Gas System, 702 North Franklin Street, P.O. Box  
6 2562, Tampa, Florida 33601-2562. I am employed by Peoples  
7 Gas System ("Peoples") as Assistant Controller.

8  
9 Q. Please describe your educational and employment background.

10  
11 A. I have a Bachelor of Science degree in Accounting from the  
12 University of Florida, a Masters of Business Administration  
13 from the University of Tampa, and am a Certified Public  
14 Accountant. Upon graduation, I joined Arthur Andersen as  
15 a staff auditor and examined and attested to the fair  
16 presentation of client's books and records. I then joined  
17 Florida Power & Light Company where my duties as a  
18 financial accountant included the review of regulatory  
19 filings. I joined Tampa Electric Company in 1985 as a  
20 Regulatory Accountant in the Regulatory Control and Budget  
21 Department. As a regulatory accountant I was responsible  
22 for participating in the review of all filings required by  
23 both the Florida Public Service Commission and the Federal  
24 Energy Regulatory Commission. I moved to TECO Transport in

1 1986 as assistant controller. My duties included primary  
2 responsibility for the general accounting functions and the  
3 review of all regulatory filings, including reports filed  
4 with the Securities and Exchange Commission, and the  
5 Federal Maritime Administration. I also served as liaison  
6 to Tampa Electric's regulatory department, assisting with  
7 responses to interrogatories and support of witness  
8 testimony related to transportation agreements with Tampa  
9 Electric. I then joined Peoples Gas in 1998 as assistant  
10 controller and am responsible for all accounting activity,  
11 including that associated with the Energy Conservation Cost  
12 Recovery ("ECCR") Clause.

13  
14 **Q.** What is the purpose of your testimony in this docket?

15  
16 **A.** My testimony addresses the costs that Peoples has incurred  
17 and the revenues recovered by Peoples through the ECCR  
18 clause. My testimony supports the revenues and expenses  
19 incurred in connection with the ECCR programs of both the  
20 former Peoples Gas System, Inc. (the costs of which are  
21 recovered under Peoples' Volume 1 Tariff) and the former  
22 West Florida Natural Gas Company (the costs of which are  
23 recovered under Peoples' Volume 2 Tariff). I will

1 hereinafter refer to the territory within which the Volume  
2 2 Tariff applies as Peoples' "West Florida Region."

3

4 Finally, my testimony addresses the adjusted net  
5 true-up amounts associated with those programs for the  
6 period April 1998 through March 1999.

7

8 Q. Are you sponsoring any exhibits with your testimony?

9

10 A. Yes. I am sponsoring two exhibits produced under my  
11 direction and supervision. Exhibit \_\_\_\_ (BNN-1R),  
12 contains the conservation cost recovery true-up data for  
13 the period April 1998 through March 1999 for Peoples'  
14 divisions other than the West Florida Region, and Exhibit  
15 \_\_\_\_ (BNN-2R), contains similar information for the same  
16 period for the West Florida Region.

17

18 Q. Have you prepared schedules showing the expenditures  
19 associated with Peoples' energy conservation programs for  
20 the period April 1998 through March 1999?

21

22 A. Yes. Actual expenses for the period April 1998 through  
23 March 1999 for Peoples' divisions other than the West

1 Florida Region are shown on Schedule CT-2, page 2, of  
2 Exhibit \_\_\_\_ (BNN-1R). Actual expenses for that period for  
3 the West Florida Region are shown on Schedule CT-2, page 2,  
4 of Exhibit \_\_\_\_ (BNN-2R). In each of these exhibits,  
5 Schedule CT-2, page 1 presents a comparison of the actual  
6 program costs and true-up amount to the projected costs and  
7 true-up amount for the same period.

8  
9 Q. What are the Company's true-up amounts for the period April  
10 1998 through March 1999?

11  
12 A. With respect to Peoples' divisions other than the West  
13 Florida Region, as shown on Schedule CT-1 of Exhibit \_\_\_\_  
14 (BNN-1R), the end-of-period net true-up for the period is  
15 an overrecovery of \$446,455 including both principal and  
16 interest. The projected true-up for the period, as approved  
17 by Commission Order No. PSC-99-0421-FOF-EG, was an  
18 overrecovery of \$1,431,005 (including interest).  
19 Subtracting the projected true-up overrecovery from the  
20 actual overrecovery yields the adjusted net true-up of  
21 \$984,550 underrecovery (including interest).

22  
23 With respect to Peoples' West Florida Region, as shown on

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report as of the date of the filing of the schedules. Each exhibit's Schedule CT-6 contains Program Progress Reports for each of Peoples' approved energy conservation programs.

**Q.** Does this conclude your prefiled direct testimony?

**A.** Yes, it does.

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM  
EXCEPT WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
Docket No. 990002-EG  
Peoples Gas System  
(BNN - 1R)

**ADJUSTED NET TRUE-UP  
APRIL 1998 THROUGH MARCH 1999**

**END OF PERIOD NET TRUE-UP**

PRINCIPAL	(361,576)	
INTEREST	<u>(84,879)</u>	(446,455)

**LESS PROJECTED TRUE-UP**

PRINCIPAL	(1,339,922)	
INTEREST	<u>(91,083)</u>	<u>(1,431,005)</u>

ADJUSTED NET TRUE-UP		<u>984,550</u>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
APRIL 1998 THROUGH MARCH 1999

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	685,202	309,287	375,915
MATERIALS & SUPPLIES	5,829	9,834	(4,005)
ADVERTISING	811,293	367,028	444,265
INCENTIVES	5,078,874	5,386,761	(307,887)
OUTSIDE SERVICES	223,696	160,265	63,431
VEHICLES	26,121	0	26,121
OTHER	39,592	124,471	(84,879)
SUB-TOTAL	6,870,607	6,357,646	512,961
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	6,870,607	6,357,646	512,961
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BAS	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(7,232,183)	(1,527,481)	(5,704,702)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(361,576)	4,830,165	(5,191,741)
INTEREST PROVISION	(84,879)	(91,083)	6,204
END OF PERIOD TRUE-UP	(446,455)	4,739,082	(5,185,537)

( ) REFLECTS OVER-RECOVERY  
\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

COMPANY: PEOPLES GAS SYSTEM  
 EXCEPT WEST FLORIDA REGION  
 Exhibit No. \_\_\_\_\_  
 Docket No. **990002-EG**  
 Peoples Gas System  
 (BNN - 1R)

**ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
 APRIL 1998 THROUGH MARCH 1999**

<u>PROGRAM NAME</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTIS.</u>	<u>INCENTIV.</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	4,103,572	0	0	0	4,103,572
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	153,475	0	0	0	153,475
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	23,650	0	0	0	23,650
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	272,544	0	0	0	272,544
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	427,284	0	0	0	427,284
PROGRAM 8: COMMON COSTS	685,202	5,829	811,293	0	223,696	26,121	39,592	1,791,733
PROGRAM 9: GAS SPACE COND.	0	0	0	98,350	0	0	0	98,350
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>685,202</b>	<b>5,829</b>	<b>811,293</b>	<b>5,078,874</b>	<b>223,696</b>	<b>26,121</b>	<b>39,592</b>	<b>6,870,607</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
APRIL 1998 THROUGH MARCH 1999

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL	
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	137,947	0	0	0	137,947	
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	(81,764)	0	0	0	(81,764)	
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	(22,723)	0	0	0	(22,723)	
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0	
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	148,583	0	0	0	148,583	
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	(476,193)	0	0	0	(476,193)	
PROGRAM 8: COMMON COSTS	375,915	(4,005)	444,265	0	63,431	26,121	(84,879)	820,848	
PROGRAM 9: GAS SPACE COND.	0	0	0	(13,736)	0	0	0	(13,736)	
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
<b>TOTAL</b>	<b>TOTAL OF ALL PROGRAMS</b>	<b>375,915</b>	<b>(4,005)</b>	<b>444,265</b>	<b>(307,887)</b>	<b>63,431</b>	<b>26,121</b>	<b>(84,879)</b>	<b>512,961</b>

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

**ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
APRIL 1998 THROUGH MARCH 1999**

EXPENSES:	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
PROGRAM 1:	215,978	188,008	187,420	406,003	217,170	199,180	482,685	380,847	283,860	623,085	439,957	479,380	4,103,572
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	15,300	13,800	6,900	5,675	2,900	8,900	11,600	12,700	13,800	20,400	17,200	24,300	153,475
PROGRAM 4:	2,310	1,650	2,200	660	1,980	1,650	1,320	1,980	1,320	3,630	2,640	2,310	23,650
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	3,000	6,745	5,742	9,181	13,857	4,302	20,440	4,432	192,925	1,240	1,200	9,480	272,544
PROGRAM 7:	36,485	25,585	46,140	28,783	14,572	19,400	25,510	41,178	36,676	39,632	45,018	68,308	427,284
PROGRAM 8:	22,680	23,496	23,264	37,640	30,814	30,249	434,286	87,259	221,081	299,954	363,876	217,136	1,791,733
PROGRAM 9:	0	490	900	15,000	900	0	9,000	2,760	54,825	9,375	0	5,100	98,350
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>295,752</b>	<b>259,773</b>	<b>272,566</b>	<b>502,941</b>	<b>282,192</b>	<b>263,681</b>	<b>984,841</b>	<b>531,155</b>	<b>804,487</b>	<b>997,315</b>	<b>869,891</b>	<b>806,013</b>	<b>6,870,607</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	295,752	259,773	272,566	502,941	282,192	263,681	984,841	531,155	804,487	997,315	869,891	806,013	6,870,607

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1998 THROUGH MARCH 1999

CONSERVATION REVENUES	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(577,017)	(458,281)	(405,300)	(371,031)	(358,013)	(351,678)	(360,525)	(387,505)	(471,911)	(675,203)	(619,198)	(669,040)	(5,704,702)
4. TOTAL REVENUES	(577,017)	(458,281)	(405,300)	(371,031)	(358,013)	(351,678)	(360,525)	(387,505)	(471,911)	(675,203)	(619,198)	(669,040)	(5,704,702)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(1,527,481)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(704,307)	(585,571)	(532,590)	(498,321)	(485,303)	(478,968)	(487,815)	(514,795)	(599,201)	(802,493)	(746,488)	(796,330)	(7,232,183)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	295,752	259,773	272,566	502,941	282,192	263,681	984,841	531,155	804,487	997,315	869,891	806,013	6,870,607
8. TRUE-UP THIS PERIOD	(408,555)	(325,798)	(260,024)	4,620	(203,111)	(215,287)	497,026	16,360	205,286	194,822	123,403	9,683	(361,576)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(7,701)	(8,804)	(9,667)	(9,766)	(9,612)	(9,726)	(8,235)	(6,798)	(5,668)	(3,990)	(2,833)	(2,079)	(84,879)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(1,527,481)	(1,816,447)	(2,023,759)	(2,166,160)	(2,044,016)	(2,129,448)	(2,227,172)	(1,611,091)	(1,474,239)	(1,147,330)	(829,208)	(581,349)	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(1,816,447)	(2,023,759)	(2,166,160)	(2,044,016)	(2,129,448)	(2,227,172)	(1,611,091)	(1,474,239)	(1,147,330)	(829,208)	(581,349)	(446,455)	(446,455)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1998 THROUGH MARCH 1999

INTEREST PROVISION	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
1. BEGINNING TRUE-UP	(1,527,481)	(1,816,447)	(2,023,759)	(2,166,160)	(2,044,016)	(2,129,448)	(2,227,172)	(1,611,091)	(1,474,239)	(1,147,330)	(829,208)	(581,349)	
2. ENDING TRUE-UP BEFORE INTEREST	(1,808,746)	(2,014,955)	(2,156,493)	(2,034,250)	(2,119,837)	(2,217,445)	(1,602,856)	(1,467,440)	(1,141,663)	(825,218)	(578,516)	(444,376)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(3,336,227)	(3,831,401)	(4,180,252)	(4,200,409)	(4,163,852)	(4,346,894)	(3,830,028)	(3,078,531)	(2,615,901)	(1,972,548)	(1,407,724)	(1,025,724)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,668,113)	(1,915,701)	(2,090,126)	(2,100,205)	(2,081,926)	(2,173,447)	(1,915,014)	(1,539,265)	(1,307,951)	(986,274)	(703,862)	(512,862)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.550%	5.530%	5.500%	5.600%	5.560%	5.520%	5.220%	5.100%	5.500%	4.900%	4.810%	4.850%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.530%	5.500%	5.600%	5.560%	5.520%	5.220%	5.100%	5.500%	4.900%	4.810%	4.850%	4.880%	
7. TOTAL (SUM LINES 5 & 6)	11.080%	11.030%	11.100%	11.160%	11.080%	10.740%	10.320%	10.600%	10.400%	9.710%	9.660%	9.730%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.540%	5.515%	5.550%	5.580%	5.540%	5.370%	5.160%	5.300%	5.200%	4.855%	4.830%	4.865%	
9. MONTHLY AVG INTEREST RATE	0.462%	0.460%	0.463%	0.465%	0.462%	0.448%	0.430%	0.442%	0.433%	0.405%	0.403%	0.405%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(7,701)	(8,804)	(9,667)	(9,766)	(9,612)	(9,726)	(8,235)	(6,798)	(5,668)	(3,990)	(2,833)	(2,079)	(84,879)

COMPANY:

PEOPLES GAS SYSTEM  
EXCEPT WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
Docket No. 990002-EG  
Peoples Gas System  
(BNN - 1R)

April 1998 through March 1999

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

**NOT APPLICABLE TO PEOPLES GAS SYSTEM**

COMPANY:

PEOPLES GAS SYSTEM  
EXCEPT WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
Docket No. 990002-EG  
Peoples Gas System  
(BNN - 1R)

FOR MONTHS: April 1998 through March 1999

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

**NOT APPLICABLE TO PEOPLES GAS SYSTEM**

COMPANY:

PEOPLES GAS SYSTEM  
EXCEPT WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
Docket No. 990002-EG  
Peoples Gas System  
(BNN - 1R)

**Program Progress Report**

**Reporting Period APRIL 1998 THROUGH MARCH 1999**

**Name: Single Family Residential Home Builder Program**

**Descripti** 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.

<b>Program Allowances:</b>	Gas Water Heater.....	<b>\$250</b>
	Gas Furnace.....	<b>\$250</b>
	Gas Range.....	<b>\$85</b>
	Gas Dryer.....	<b>\$85</b>

**Program Summary**

<b>New Home Goal:</b>	5,919
<b>New Homes Connected:</b>	<u>6,125</u>
<b>Variance:</b>	<b>(206)</b>
<b>Percent of Goal:</b>	<b>103.5%</b>

**Conservation Cost Variance - Actual Vs. Projected**

Projected Cost:	\$3,965,625
Actual Cost:	\$4,103,572
Variance:	<b>(\$137,947)</b>

( ) Reflects Overrecovery

COMPANY:

PEOPLES GAS SYSTEM  
EXCEPT WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
Docket No. 990002-EG  
Peoples Gas System  
(BNN - 1R)

**Program Progress Report**

Reporting Period **APRIL 1998 THROUGH MARCH 1999**

Name: **Residential Conservation Service Program**

**Descripti** 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.

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

**Program Summary**

<b>Program Goal:</b>	0
<b>Program Accomplishments:</b>	0
<b>Variance:</b>	0
<b>Percent of Goal:</b>	0.0%

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

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	\$0
<b>Actual Cost:</b>	\$0
<b>Variance:</b>	\$0

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**Program Progress Report**

Reporting Period **APRIL 1998 THROUGH MARCH 1999**

Name: **Water Heater Load Retention Program**

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

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

**Program Summary**

Goals:	2,352
Actual:	<u>1,535</u>
Variance:	818
Percent of Goal:	65.2%

**Conservation Cost Variance - Actual Vs. Projected**

Projected Cost:	\$235,239
Actual Cost:	\$153,475
Variance:	\$81,764

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**Program Progress Report**

Reporting Period **APRIL 1998 THROUGH MARCH 1999**

Name: **Replacement of Oil Heating Program**

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

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

**Program Summary**

<b>Goals:</b>	<b>141</b>
<b>Actual:</b>	<b>72</b>
<b>Variance:</b>	<b>69</b>
<b>Percent of Goal:</b>	<b>51.0%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$46,373</b>
<b>Actual Cost:</b>	<b>\$23,650</b>
<b>Variance:</b>	<b>\$22,723</b>

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**Program Progress Report**

Reporting Period **APRIL 1998 THROUGH MARCH 1999**

Name: **Small Package Cogeneration Program**

**Descripti** 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

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**Program Progress Report**

**Reporting Period: APRIL 1998 THROUGH MARCH 1999**

**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: **\$4,000**

**Program Summary**

<b>Program Goal:</b>	<b>12</b>
<b>Program Accomplishments:</b>	<b>27</b>
<b>Variance:</b>	<b>(15)</b>
<b>Percent of Goal:</b>	<b>219.9%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$123,961</b>
<b>Actual Cost:</b>	<b>\$272,544</b>
<b>Variance:</b>	<b>(\$148,583)</b>

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Program Progress Report

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

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:	2,101
Program Accomplishments:	<u>1,214</u>
Variance:	887
Percent of Goal:	57.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$903,477
Actual Cost:	\$427,284
Variance:	\$476,193

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Program Progress Report

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

Name:

**Energy Conservation Common Cost**

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$970,885
Actual Cost:	\$1,791,733
Variance:	(\$820,848)

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**Program Progress Report**

**Reporting Period: APRIL 1998 THROUGH MARCH 1999**

**Name:**

**Gas Space Conditioning Program**

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

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

**Program Summary**

<b>Goals:</b>	<b>747</b>
<b>Actual:</b>	<b>656</b>
<b>Variance:</b>	<b>92</b>
<b>Percent of Goal:</b>	<b>87.7%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$112,086</b>
<b>Actual Cost:</b>	<b>\$98,350</b>
<b>Variance:</b>	<b>\$13,736</b>

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**Program Progress Report**

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

Name: **Program Monitoring, Evaluation and Research 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

SCHEDULE CT-1

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**ADJUSTED NET TRUE-UP  
APRIL 1998 THROUGH MARCH 1999**

**END OF PERIOD NET TRUE-UP**

PRINCIPAL (185,571)

INTEREST (19,166) (204,737)

**LESS PROJECTED TRUE-UP**

PRINCIPAL (485,413)

INTEREST (21,579) (506,992)

**ADJUSTED NET TRUE-UP 302,255**

( ) REFLECTS OVER-RECOVERY

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**ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
APRIL 1998 THROUGH MARCH 1999**

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	60,486	54,290	6,196
MATERIALS & SUPPLIES	747	417	330
ADVERTISING	272,190	140,091	132,099
INCENTIVES	430,354	354,849	75,505
OUTSIDE SERVICES	3,056	10,875	(7,819)
VEHICLES	0	0	0
OTHER	408	6,440	(6,032)
SUB-TOTAL	767,240	566,962	200,278
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	767,240	566,962	200,278
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BAS	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(952,811)	(357,250)	(595,561)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(185,571)	209,712	(395,283)
INTEREST PROVISION	(19,166)	(21,579)	2,413
END OF PERIOD TRUE-UP	(204,737)	188,133	(392,870)

( ) REFLECTS OVER-RECOVERY

\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
APRIL 1998 THROUGH MARCH 1999

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	16,263	274,815	0	0	0	291,078
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	2,382	39,320	0	0	0	41,702
PROGRAM 4: ESP PROGRAM	0	0	2,647	24,650	0	0	0	27,297
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	29,760	13,859	0	0	0	43,619
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	61,578	77,710	0	0	0	139,288
PROGRAM 8: COMMON COSTS	60,486	747	157,140	0	3,056	0	408	221,836
PROGRAM 9: GAS SPACE COND..	0	0	2,420	0	0	0	0	2,420
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>60,486</b>	<b>747</b>	<b>272,190</b>	<b>430,354</b>	<b>3,056</b>	<b>0</b>	<b>408</b>	<b>767,240</b>

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CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
APRIL 1998 THROUGH MARCH 1999

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL	
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	16,263	85,465	0	0	0	101,728	
PROGRAM 2: ENERGY AUDITS	0	0	0	(22,052)	0	0	0	(22,052)	
PROGRAM 3: WATER HEATER LOAD RET	0	0	2,382	6,370	0	0	0	8,752	
PROGRAM 4: ESP PROGRAM	0	0	2,647	24,650	0	0	0	27,297	
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0	
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	29,760	(10,638)	0	0	0	19,122	
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	61,578	(790)	0	0	0	60,788	
PROGRAM 8: COMMON COSTS	6,196	330	17,049	0	(7,819)	0	(6,032)	9,723	
PROGRAM 9: GAS SPACE COND..	0	0	2,420	(7,500)	0	0	0	(5,080)	
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	
<b>TOTAL</b>	<b>TOTAL OF ALL PROGRAMS</b>	<b>6,196</b>	<b>330</b>	<b>132,099</b>	<b>75,505</b>	<b>(7,819)</b>	<b>0</b>	<b>(6,032)</b>	<b>200,278</b>

( ) REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
APRIL 1998 THROUGH MARCH 1999

EXPENSES:	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
PROGRAM 1:	23,755	7,186	11,240	17,611	11,400	3,974	2,680	12,063	23,400	19,275	52,680	105,814	291,078
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	1,950	3,800	2,050	1,250	4,450	2,700	2,000	2,920	7,128	3,254	4,200	6,000	41,702
PROGRAM 4:	950	2,250	1,350	1,900	1,500	2,900	1,150	3,910	2,250	3,210	1,950	3,977	27,297
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	2,319	4,903	716	325	6,980	4,288	10,244	6,554	25,900	(22,858)	4,247	43,619
PROGRAM 7:	9,688	6,517	9,014	14,470	5,050	15,509	3,150	7,075	26,666	9,190	21,340	11,619	139,288
PROGRAM 8:	11,335	6,367	7,430	3,381	3,351	13,764	10,043	17,446	34,376	20,811	48,800	44,732	221,836
PROGRAM 9:	0	0	0	0	0	0	0	1,210	0	1,210	0	0	2,420
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>47,678</b>	<b>28,440</b>	<b>35,987</b>	<b>39,328</b>	<b>26,076</b>	<b>45,827</b>	<b>23,311</b>	<b>54,868</b>	<b>100,374</b>	<b>82,851</b>	<b>106,112</b>	<b>176,390</b>	<b>767,240</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	47,678	28,440	35,987	39,328	26,076	45,827	23,311	54,868	100,374	82,851	106,112	176,390	767,240

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1998 THROUGH MARCH 1999

CONSERVATION REVENUES	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(59,617)	(43,269)	(36,165)	(32,314)	(33,229)	(28,379)	(38,307)	(35,576)	(56,086)	(102,503)	(59,866)	(70,250)	(595,561)
4. TOTAL REVENUES	(59,617)	(43,269)	(36,165)	(32,314)	(33,229)	(28,379)	(38,307)	(35,576)	(56,086)	(102,503)	(59,866)	(70,250)	(595,561)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(357,250)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(89,388)	(73,040)	(65,936)	(62,085)	(63,000)	(58,150)	(68,078)	(65,347)	(85,857)	(132,274)	(89,637)	(100,021)	(952,811)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	47,678	28,440	35,987	39,328	26,076	45,827	23,311	54,868	100,374	82,851	106,112	176,390	767,240
8. TRUE-UP THIS PERIOD	(41,710)	(44,600)	(29,949)	(22,757)	(36,924)	(12,323)	(44,767)	(10,479)	14,517	(49,423)	16,475	76,369	(185,571)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(1,677)	(1,739)	(1,792)	(1,794)	(1,790)	(1,720)	(1,655)	(1,698)	(1,535)	(1,390)	(1,335)	(1,041)	(19,166)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(357,250)	(370,866)	(387,433)	(389,404)	(384,184)	(393,127)	(377,400)	(394,051)	(376,457)	(333,705)	(354,747)	(309,836)	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(370,866)	(387,433)	(389,404)	(384,184)	(393,127)	(377,400)	(394,051)	(376,457)	(333,705)	(354,747)	(309,836)	(204,737)	(204,737)

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CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1998 THROUGH MARCH 1999

	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEPT 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(357,250)	(370,866)	(387,433)	(389,404)	(384,184)	(393,127)	(377,400)	(394,051)	(376,457)	(333,705)	(354,747)	(309,836)	
ENDING TRUE-UP BEFORE INTEREST	(369,189)	(385,695)	(387,611)	(382,390)	(391,337)	(375,680)	(392,396)	(374,759)	(332,169)	(353,357)	(308,501)	(203,696)	
TOTAL BEGINNING & ENDING TRUE-UP	(726,439)	(756,561)	(775,045)	(771,793)	(775,521)	(768,807)	(769,796)	(768,811)	(708,626)	(687,062)	(663,248)	(513,532)	
AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(363,219)	(378,280)	(387,522)	(385,897)	(387,761)	(384,404)	(384,898)	(384,405)	(354,313)	(343,531)	(331,624)	(256,766)	
INTER. RATE - 1ST DAY OF REPORTING MONTH	5.550%	5.530%	5.500%	5.600%	5.560%	5.520%	5.220%	5.100%	5.500%	4.900%	4.810%	4.850%	
INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.530%	5.500%	5.600%	5.560%	5.520%	5.220%	5.100%	5.500%	4.900%	4.810%	4.850%	4.880%	
TOTAL (SUM LINES 5 & 6)	11.080%	11.030%	11.100%	11.160%	11.080%	10.740%	10.320%	10.600%	10.400%	9.710%	9.660%	9.730%	
AVG INTEREST RATE (LINE 7 TIMES 50%)	5.540%	5.515%	5.550%	5.580%	5.540%	5.370%	5.160%	5.300%	5.200%	4.855%	4.830%	4.865%	
MONTHLY AVG INTEREST RATE	0.462%	0.460%	0.463%	0.465%	0.462%	0.448%	0.430%	0.442%	0.433%	0.405%	0.403%	0.405%	
1. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(1,677)	(1,739)	(1,792)	(1,794)	(1,790)	(1,720)	(1,655)	(1,698)	(1,535)	(1,390)	(1,335)	(1,041)	(19,166)

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Docket No. 990002-EG  
Peoples Gas System  
(BNN - ZR)

FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

**NOT APPLICABLE TO PEOPLES GAS SYSTEM**

COMPANY: PEOPLES GAS SYSTEM  
WEST FLORIDA REGION  
Exhibit No. \_\_\_\_\_  
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FOR MONTHS: **APRIL 1998 THROUGH MARCH 1999**

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

**NOT APPLICABLE TO PEOPLES GAS SYSTEM**

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Program Progress Report

Reporting Period: APRIL 1998 THOUGH MARCH 1999

Name: Residential Home Builder Program

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

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

Program Summary

New Home Goal:	316
New Homes Connected:	<u>485</u>
Variance:	(170)
Percent of Goal:	153.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$189,350
Actual Cost:	\$291,078
Variance:	(\$101,728)

( ) Reflects Overrecovery

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**Program Progress Report**

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

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.

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

**Program Summary**

<b>Program Goal:</b>	<b>33</b>
<b>Program Accomplishments:</b>	<b>0</b>
<b>Variance:</b>	<b>33</b>
<b>Percent of Goal:</b>	<b>0.0%</b>

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

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$22,052</b>
<b>Actual Cost:</b>	<b>\$0</b>
<b>Variance:</b>	<b>\$22,052</b>

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**Program Progress Report**

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

**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**

<b>Goals:</b>	<b>330</b>
<b>Actual:</b>	<b>417</b>
<b>Variance:</b>	<b>(88)</b>
<b>Percent of Goal:</b>	<b>126.6%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$32,950</b>
<b>Actual Cost:</b>	<b>\$41,702</b>
<b>Variance:</b>	<b>(\$8,752)</b>

( ) Reflects Overrecovery

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**Program Progress Report**

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

Name: **Replacement of Oil Heating Program**

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

Program Allowances: Energy Efficient Gas Furnaces..... \$500

**Program Summary**

Goals:	0
Actual:	<u>83</u>
Variance:	(83)
Percent of Goal:	NA

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$27,297
Variance:	(\$27,297)

( ) Reflects Overrecovery

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**Program Progress Report**

Reporting Period: APRIL 1998 THROUGH MARCH 1999

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

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Program Progress Report

Reporting Period: **APRIL 1998 THROUGH MARCH 1999**

Name: **Commercial Electric Replacement Program**

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

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

**Program Summary**

Program Goal:	817
Program Accomplishments:	1,090
Variance:	<u>(274)</u>
Percent of Goal:	133.5%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$24,497
Actual Cost:	\$43,619
Variance:	(\$19,122)

( ) Reflects Overrecovery

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**Program Progress Report**

Reporting Period: APRIL 1998 THROUGH MARCH 1999

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

**Program Summary**

Program Goal:	183
Program Accomplishments:	<u>396</u>
Variance:	(213)
Percent of Goal:	216.8%

**Conservation Cost Variance - Actual Vs. Projected**

Projected Cost:	\$78,500
Actual Cost:	\$139,288
Variance:	(\$60,788)

( ) Reflects Overrecovery

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Program Progress Report

Reporting Period: APRIL 1998 THROUGH MARCH 1999

Name:

Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$212,113
Actual Cost:	\$221,836
Variance:	(\$9,723)

( ) Reflects Overrecovery

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**Program Progress Report**

**Reporting Period: APRIL 1998 THROUGH MARCH 1999**

**Name:**

**Gas Space Conditioning Program**

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

**Program Allowance:** Each customer is allowed 100 tons maximum paid allowance/installation at: **\$100 /ton**

**Program Summary**

<b>Goals:</b>	<b>75</b>
<b>Actual:</b>	<b>16</b>
<b>Variance:</b>	<b>59</b>
<b>Percent of Goal:</b>	<b>21.5%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$7,500</b>
<b>Actual Cost:</b>	<b>\$2,420</b>
<b>Variance:</b>	<b>\$5,080</b>

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**Program Progress Report**

**Reporting Period: APRIL 1998 THROUGH MARCH 1999**

**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 efficeint natural gas appliances i lieu of standard gas or electric appliances.

Installation allowance is \$50.00 per Appliance

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$0</b>
<b>Actual Cost:</b>	<b>\$0</b>
<b>Variance:</b>	<b>\$0</b>