

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation :
Cost Recovery Clause :

DOCKET NO. 000002-EG

Submitted for Filing:
9-27-00

DIRECT TESTIMONY AND EXHIBITS

of

J. BRENT CALDWELL

on behalf of

PEOPLES GAS SYSTEM

DOCUMENT NUMBER DATE

12216 SEP 27 8

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 J. Brent Caldwell. 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 Director of Regulatory Services.

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

10
11 A. I have a Bachelor of Electrical Engineering degree from the
12 Georgia Institute of Technology and a Masters of Science in
13 Electrical Engineering from the University of South
14 Florida. From 1985 to 1994, I was employed in a series of
15 progressively more responsible positions in the electrical
16 engineering and systems analysis fields. In 1994, I joined
17 Tampa Electric Company as a Rate Analyst in the Regulatory
18 Affairs Department. As a Rate Analyst, I performed
19 analyses associated with the Fuel Adjustment Clause, the
20 Environmental Cost Recovery Clause and other rate design
21 issues. I joined Peoples in 1997 as a member of the Gas
22 Supply and Regulatory Planning Department. As Director of
23 Regulatory Services, I am primarily responsible for
24 coordinating and overseeing all regulatory activity for
25 Peoples, including the Energy Conservation Cost Recovery

1 ("ECCR") Clause.

2

3 Q. What is the purpose of your testimony in this docket?

4

5 A. My testimony addresses Peoples' energy conservation
6 programs, the costs that Peoples has incurred and the
7 revenues recovered by Peoples through the ECCR clause from
8 January 2000 through August 2000, and the costs that
9 Peoples seeks to recover through the ECCR clause in 2001.
10 My testimony supports the conservation programs of both the
11 former Peoples Gas System, Inc. and the former West Florida
12 Natural Gas Company. I will hereinafter refer to the
13 former West Florida Natural Gas Company territory as
14 Peoples' "West Florida Region."

15

16 My testimony describes generally the expenditures made and
17 projected to be made in implementing, promoting and
18 operating Peoples' energy conservation programs for the
19 current period. This information includes the adjusted net
20 true-up amounts associated with those programs for the
21 period April 1999 through December 1999. Next, my
22 testimony addresses the actual costs incurred in January
23 through August 2000, and revised projections of program
24 costs that Peoples expects to incur from September through
25 December 2000. In addition, my testimony presents

1 projected conservation program costs for the period January
2 1, 2001 through December 31, 2001.

3
4 Finally, my testimony presents the calculation of the
5 conservation cost recovery adjustment factors to be applied
6 to customers' bills during the period beginning with the
7 first billing cycle for January 2001 and continuing through
8 the last billing cycle for December 2001.

9
10 Q. Are you sponsoring any exhibits with your testimony?

11
12 A. Yes. I am sponsoring four exhibits produced under my
13 direction and supervision. Exhibit ____ (KJW-1), which was
14 filed on May 19, 2000, contains the conservation cost
15 recovery true-up data for the period April 1999 through
16 December 1999 for Peoples' non-West Florida Region, and
17 Exhibit ____ (KJW-2), which was also filed on May 19, 2000,
18 contains similar information for the same period for the
19 West Florida Region. Exhibit ____ (JBC-3), contains the
20 conservation cost recovery true-up data for the period
21 January 2000 through August 2000 as well as reprojected
22 expenses for the period September 2000 through December
23 2000 for Peoples' non-West Florida Region, and Exhibit ____
24 (JBC-4), contains similar information for the West Florida
25 Region. In addition, Exhibit ____ (JBC-3) consists of

1 Schedules C-1 through C-5, which contain information
2 related to the calculation of the ECCR factors to be
3 applied to customers' bills during the period January
4 through December 2001 in Peoples' non-West Florida Region.
5 Exhibit ____ (JBC-4) contains the same schedules and similar
6 information for Peoples' West Florida Region.
7
8 Q. Have you prepared schedules showing the expenditures
9 associated with Peoples' energy conservation programs for
10 the period April 1999 through December 1999?
11
12 A. Yes. Actual expenses for the period April 1999 through
13 December 1999 for Peoples' non-West Florida Region are
14 shown on Schedule CT-2, page 2, of Exhibit ____ (KJW-1).
15 Actual expenses for that period for the West Florida Region
16 are shown on Schedule CT-2, page 2, of Exhibit ____ (KJW-2).
17 In each of these exhibits, Schedule CT-2, page 1 presents
18 a comparison of the actual program costs and true-up amount
19 to the projected costs and true-up amount for the same
20 period.
21
22 Q. What are the Company's true-up amounts for the period April
23 1999 through December 1999?
24

1 A. With respect to Peoples' non-West Florida Region, as shown
2 on Schedule CT-1 of Exhibit _____ (KJW-1), the end-of-period
3 net true-up for the period is an underrecovery of \$137,152
4 including both principal and interest. The projected
5 true-up for the period, as approved by Commission Order No.
6 PSC-99-2504-FOF-EG, was an overrecovery of \$301,480
7 (including interest). Subtracting the projected true-up
8 overrecovery from the actual underrecovery yields the
9 adjusted net true-up of \$438,632 underrecovery (including
10 interest).

11
12 With respect to Peoples' West Florida Region, as shown on
13 Schedule CT-1 of Exhibit _____ (KJW-2), the end-of-period
14 net true-up for the period is an underrecovery of \$302,792,
15 including both principal and interest. The projected
16 true-up for the period, as approved by Commission Order No.
17 PSC-99-2504-FOF-EG, was an underrecovery of \$191,792
18 (including interest). Subtracting the projected true-up
19 underrecovery from the actual underrecovery yields the
20 adjusted net true-up of \$111,000 underrecovery (including
21 interest).

22
23 Q. What do the rest of the schedules in Exhibits _____ (KJW-1)
24 and _____ (KJW-2) show?

25

1 A. Schedule CT-2, in each of the exhibits, presents an
2 analysis of the variance between actual and estimated
3 energy conservation program costs for the period April 1999
4 through December 1999. Each exhibit's Schedule CT-3
5 presents an analysis of program costs, by month and by
6 program, and calculation of the true-up and interest
7 amounts. Schedule CT-4 is not applicable to Peoples.
8 Schedule CT-5 provides for a reconciliation and explanation
9 of differences between the Company's filing and the
10 Commission's audit for the relevant period. There were no
11 such differences to report as of the date of the filing of
12 the schedules on May 19, 2000. Each exhibit's Schedule
13 CT-6 contains Program Progress Reports for each of Peoples'
14 approved energy conservation programs.

15
16 Q. Have you prepared summaries of the Company's conservation
17 programs and the projected costs associated with these
18 programs?

19
20 A. Yes. Summaries of the Company's programs in the non-West
21 Florida Region are presented in Exhibit ____ (JBC-3),
22 Schedule C-5. Summaries of the programs in the West
23 Florida Region are presented in Exhibit ____ (JBC-4),
24 Schedule C-5.

1 Q. Have you prepared schedules required for the calculation of
2 Peoples' proposed conservation adjustment factors to be
3 applied during the billing periods from January 2001
4 through and including December 2001?
5
6 A. Yes. Schedule C-3 of Exhibit ____ (JBC-3) (for the non-West
7 Florida Region) and Exhibit ____ (JBC-4) (for the West
8 Florida Region) show actual expenses for the period January
9 through August 2000 and projected expenses for the period
10 September through December 2000.
11
12 Projected expenses for the January through December 2001
13 period are shown on Schedule C-2 of Exhibits ____ (JBC-3)
14 and ____ (JBC-4). The total annual cost projected
15 represents an increase over recent levels as a result of
16 Peoples' active expansion of the availability of natural
17 gas throughout the state of Florida. Schedule C-1 of both
18 exhibits shows the calculation of the conservation
19 adjustment factors. The estimated true-up amount from
20 Schedule C-3 (Page 4) of Exhibit ____ (JBC-3) being an
21 overrecovery, and Exhibit ____ (JBC-4) being an
22 underrecovery, were incorporated into the totals of the
23 projected costs for the January through December 2001
24 period. The resulting totals of \$8,527,877 (for the non-

1 West Florida Region) and \$1,868,607 (for the West Florida
2 Region) are the total expenses to be recovered during
3 calendar year 2001. These total expenses were then
4 allocated to the Company's affected rate classes pursuant
5 to the methodology approved by the Commission, divided by
6 the expected consumption of each rate class, and then
7 adjusted for the regulatory assessment fee.

8
9 Schedule C-1 of Exhibit ____ (JBC-3) shows the resulting
10 estimated ECCR revenues and adjustment factors by rate
11 class for Peoples' non-West Florida Region for the period
12 January through December 2001. Schedule C-1 of Exhibit
13 ____ (JBC-4) shows the resulting estimated ECCR revenues and
14 adjustment factors by rate class for Peoples' West Florida
15 Region for the same period.

16
17 Q. Does this conclude your prefiled direct testimony?

18

19 A. Yes, it does.

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2001 Through December 2001

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	9,549,552
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(1,021,675)
3. TOTAL (LINE 1 AND LINE 2)	8,527,877

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	2,463,341	50,564,635	17,243,387	20,790,661	38,034,048	3,084,616	8.11014%	0.06100	1.00503	0.06131
SMALL COMMERCIA	56,316	3,127,368	844,740	1,055,111	1,899,851	154,081	8.11014%	0.04927	1.00503	0.04952
COMMERCIAL	210,886	120,107,254	3,585,062	29,274,942	32,860,004	2,664,994	8.11014%	0.02219	1.00503	0.02230
COMM. LGE VOL I	24,488	131,879,176	612,200	28,828,788	29,440,988	2,387,707	8.11014%	0.01811	1.00503	0.01820
COMM. LGE VOL II	616	16,698,755	27,720	2,697,684	2,725,404	221,034	8.11014%	0.01324	1.00503	0.01330
STREET LIGHTING	1,125	1,401,860	0	132,434	132,434	10,741	8.11014%	0.00766	1.00503	0.00770
NGVS	245	783,634	6,125	51,877	58,002	4,704	8.11014%	0.00600	1.00503	0.00603
TOTAL	2,757,017	324,562,682	22,319,234	82,831,497	105,150,731	8,527,877				

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2001 Through December 2001

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	6,127,552	0	0	0	6,127,552
2 WATER HEATER LOAD RETENTI	0	0	0	0	220,000	0	0	0	220,000
3 OIL HEAT REPLACEMENT	0	0	0	0	25,000	0	0	0	25,000
4 SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
5 COMM ELECTRIC REPLACEMEN	0	0	0	0	100,000	0	0	0	100,000
6 RES ELECTRIC REPLACEMENT	0	0	0	0	1,107,000	0	0	0	1,107,000
7 COMMON COSTS	0	700,000	20,000	1,000,000	0	100,000	0	100,000	1,920,000
8 GAS SPACE CONDITIONING	0	0	0	0	50,000	0	0	0	50,000
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	700,000	20,000	1,000,000	7,629,552	100,000	0	100,000	9,549,552

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. _____
Peoples Gas System
JBC-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2000 Through December 2000
7 Months of Actuals

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	3,432,505	0	0	0	3,432,505
B. ESTIMATED	0	0	0	0	2,500,000	0	0	0	2,500,000
C. TOTAL	0	0	0	0	5,932,505	0	0	0	5,932,505
2 WATER HEATER LOAD RETENTION									
A. ACTUAL	0	0	0	0	129,800	0	0	0	129,800
B. ESTIMATED	0	0	0	0	91,875	0	0	0	91,875
C. TOTAL	0	0	0	0	221,675	0	0	0	221,675
3 OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	4,620	0	0	0	4,620
B. ESTIMATED	0	0	0	0	16,875	0	0	0	16,875
C. TOTAL	0	0	0	0	21,495	0	0	0	21,495
4 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
5 COMM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	31,440	0	0	0	31,440
B. ESTIMATED	0	0	0	0	60,000	0	0	0	60,000
C. TOTAL	0	0	0	0	91,440	0	0	0	91,440
6 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	230,636	0	0	0	230,636
B. ESTIMATED	0	0	0	0	625,000	0	0	0	625,000
C. TOTAL	0	0	0	0	855,636	0	0	0	855,636
SUB-TOTAL	0	0	0	0	7,122,751	0	0	0	7,122,751

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No.
 Peoples Gas System
 JBC-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2000 Through December 2000
 7 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	7,122,751	0	0	0	7,122,751
7. COMMON COSTS									
A. ACTUAL	0	407,187	2,803	691,321	0	30,255	2,428	69,272	1,203,266
B. ESTIMATED	0	305,379	9,197	608,679	0	69,745	12,572	1,011,300	1,011,300
C. TOTAL	0	712,566	12,000	1,300,000	0	100,000	15,000	75,000	2,214,566
8. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	15,000	0	0	0	15,000
B. ESTIMATED	0	0	0	0	39,375	0	0	0	39,375
C. TOTAL	0	0	0	0	54,375	0	0	0	54,375
9. N/A									
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
10. N/A									
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
11. N/A									
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
TOTAL	0	712,566	12,000	1,300,000	7,177,126	100,000	15,000	75,000	9,391,692

5

ENERGY CONSERVATION ADJUSTMENT
January 2000 Through December 2000

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b. CONSERV. ADJ. REV.	(1,183,116)	(1,236,337)	(1,042,424)	(854,184)	(822,300)	(705,131)	(667,491)	(794,070)	(794,070)	(794,070)	(794,070)	(794,070)	(10,481,335)
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(1,183,116)	(1,236,337)	(1,042,424)	(854,184)	(822,300)	(705,131)	(667,491)	(794,070)	(794,070)	(794,070)	(794,070)	(794,070)	(10,481,335)
TOTAL REVENUES	(1,183,116)	(1,236,337)	(1,042,424)	(854,184)	(822,300)	(705,131)	(667,491)	(794,070)	(794,070)	(794,070)	(794,070)	(794,070)	(10,481,335)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	11,429	11,429	11,429	11,429	11,429	11,429	11,429	11,429	11,429	11,429	11,429	11,429	137,152
CONSERVATION REVS. APPLIC. TO PERIOD	(1,171,687)	(1,224,908)	(1,030,995)	(842,755)	(810,871)	(693,702)	(656,062)	(782,641)	(782,641)	(782,641)	(782,641)	(782,641)	(10,344,183)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	489,837	651,331	820,927	1,153,440	753,754	821,593	556,385	868,885	868,885	868,885	868,885	868,885	9,391,692
TRUE-UP THIS PERIOD	(681,850)	(573,577)	(410,068)	310,685	(57,117)	127,891	(99,677)	86,244	86,244	86,244	86,244	86,244	(952,491)
INTEREST THIS PERIOD (C-3, PAGE 5)	(995)	(4,107)	(6,711)	(7,272)	(6,995)	(7,122)	(7,108)	(7,190)	(6,814)	(3,122)	(6,060)	(5,688)	(69,185)
TRUE-UP & INT. BEG. OF MONTH	137,152	(557,122)	(1,148,235)	(1,574,443)	(1,282,459)	(1,358,001)	(1,248,660)	(1,366,874)	(1,299,250)	(1,231,249)	(1,159,557)	(1,090,802)	(1,021,675)
PRIOR TRUE-UP COLLECT./REFUND.)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(11,429)	(137,152)
END OF PERIOD TOTAL NET TRUE-UP	(557,122)	(1,146,235)	(1,574,443)	(1,282,459)	(1,358,001)	(1,248,660)	(1,366,874)	(1,299,250)	(1,231,249)	(1,159,557)	(1,090,802)	(1,021,675)	(1,021,675)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2000 Through December 2000

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	137,152	(557,122)	(1,148,235)	(1,574,443)	(1,282,459)	(1,358,001)	(1,248,660)	(1,366,874)	(1,299,250)	0	(1,159,557)	(1,090,802)	(1,299,250)
END. T-UP BEFORE INT.	(556,127)	(1,142,128)	(1,567,732)	(1,275,187)	(1,351,005)	(1,241,539)	(1,359,766)	(1,292,060)	(1,224,435)	(1,156,434)	(1,084,742)	(1,015,987)	(2,111,318)
TOT. BEG. & END. T-UP	(418,975)	(1,699,250)	(2,713,966)	(2,849,630)	(2,633,465)	(2,599,539)	(2,608,427)	(2,658,934)	(2,523,685)	(1,156,434)	(2,244,299)	(2,106,789)	(3,410,568)
AVERAGE TRUE-UP	(209,488)	(849,625)	(1,356,983)	(1,424,815)	(1,316,732)	(1,299,770)	(1,304,213)	(1,329,467)	(1,261,842)	(578,217)	(1,122,149)	(1,053,394)	(1,705,284)
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.6000%	5.8000%	5.8000%	6.0700%	6.1800%	6.5700%	6.5800%	6.5000%	6.4800%	6.4800%	6.4800%	6.4800%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.8000%	5.8000%	6.0700%	6.1800%	6.5700%	6.5800%	6.5000%	6.4800%	6.4800%	6.4800%	6.4800%	6.4800%	
TOTAL	11.4000%	11.6000%	11.8700%	12.2500%	12.7500%	13.1500%	13.0800%	12.9800%	12.9600%	12.9600%	12.9600%	12.9600%	
AVG INTEREST RATE	5.7000%	5.8000%	5.9350%	6.1250%	6.3750%	6.5750%	6.5400%	6.4900%	6.4800%	6.4800%	6.4800%	6.4800%	
MONTHLY AVG. RATE	0.4750%	0.4833%	0.4948%	0.5104%	0.5313%	0.5479%	0.5450%	0.5408%	0.5400%	0.5400%	0.5400%	0.5400%	
INTEREST PROVISION	(\$995)	(\$4,107)	(\$6,711)	(\$7,272)	(\$6,995)	(\$7,122)	(\$7,108)	(\$7,190)	(\$6,814)	(\$3,122)	(\$6,060)	(\$5,688)	(\$69,185)

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: 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.

Program Allowances:	Gas Water Heater	\$250.00
	Gas Furnace	\$250.00
	Gas Range	\$85.00
	Gas Dryer	\$85.00

Program Goals:	Projected new home connections for this period:	11,068
	Actual connections to date this period:	6,404
	Percent of goal:	57.9%
	7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$5,932,505
	Actual to date:	\$3,432,505

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

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 \$100.00

Program Goals: Projected connections for this period: 2,217

Actual connections to date this period: 1,298

Percent of goal: 58.6%
 7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$221,675

Actual to date: \$129,800

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowance:	Energy Efficient Gas Furnaces	\$330.00
Program Goals:	Projected new connections for this period:	65
	Actual connections to date this period:	14
	Percent of goal:	21.5%
	7 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$21,495
	Actual to date:	\$4,620

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowances:	For every KW Displaced	\$40.00
	Each customer allowed a maximum of 100 KWD deferred	
Program Goals:	Projected KWD displaced this period:	2,286
	Actual KWD displaced this period:	786
	Percent of goal:	34.4%
	7 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$91,440
	Actual to date:	\$31,440

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowances:	Natural Gas Water Heater	\$440.00
	Natural Gas Furnace	\$440.00
	Natural Gas Range	\$75.00
	Natural Gas Dryer	\$75.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected new connections for this period:	1,391
	Actual connections to date this period:	375
	Percent of goal:	27.0%

7 Months of Actuals

Program Fiscal Expenditures:	Estimated for period:	\$855,636
	Actual to date:	\$230,636

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:	\$2,214,566
Actual to date:	\$1,203,266
Percent of goal:	54.3%
7 Months of Actuals	

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No.
 Peoples Gas System
 JBC-3

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowance:	Each customer allowed 100 tons maximum paid allowance / installation at:	\$150 per ton
Program Goals:	Projected connections this period: (tons)	363
	Actual connections this period: (tons)	100
	Percent of goal:	27.6%
	7 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$54,375
	Actual to date:	\$15,000

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-4

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2001 Through December 2001

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	1,536,400
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	332,207
3. TOTAL (LINE 1 AND LINE 2)	1,868,607

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	366,693	9,635,417	2,566,851	3,133,919	5,700,770	911,824	15.99475%	0.09463	1.00503	0.09511
COMMERCIAL	31,728	12,220,382	317,280	2,001,454	2,318,734	370,876	15.99475%	0.03035	1.00503	0.03050
COMM. LGE VOL I	193	6,238,375	9,650	863,391	873,041	139,641	15.99475%	0.02238	1.00503	0.02250
INDUSTRIAL	144	20,107,550	7,200	2,782,885	2,790,085	446,267	15.99475%	0.02219	1.00503	0.02231
TOTAL	398,758	48,201,724	2,900,981	8,781,649	11,682,630	1,868,607				

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. Peoples Gas System
JBC-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2001 Through December 2001

PROGRAM	CAPITAL INVEST	ROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	1,053,400	0	0	0	1,053,400
2 ENERGY SAVINGS PAYBACK	0	0	0	0	23,000	0	0	0	23,000
3 WATER HEATER LOAD RETENTI	0	0	0	0	45,000	0	0	0	45,000
4 ELECTRIC & OIL HEAT REPLACE	0	0	0	0	80,000	0	0	0	80,000
5 COMM ELECTRIC REPLACEMEN	0	0	0	0	25,000	0	0	0	25,000
6 GAS SPACE CONDITIONING	0	0	0	0	15,000	0	0	0	15,000
7 COMMON COSTS	0	50,000	0	100,000	0	125,000	0	20,000	295,000
8 N/A	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	50,000	0	100,000	1,241,400	125,000	0	20,000	1,536,400

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. _____
 Peoples Gas System
 JBC-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2000 Through December 2000
 7 Months Actual

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	746,370	0	0	0	746,370
B. ESTIMATED	0	0	0	0	375,000	0	0	0	375,000
C. TOTAL	0	0	0	0	1,121,370	0	0	0	1,121,370
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	12,450	0	0	0	12,450
B. ESTIMATED	0	0	0	0	10,000	0	0	0	10,000
C. TOTAL	0	0	0	0	22,450	0	0	0	22,450
3 WATER HEATER LOAD RETENTION									
A. ACTUAL	0	0	0	0	25,500	0	0	0	25,500
B. ESTIMATED	0	0	0	0	16,665	0	0	0	16,665
C. TOTAL	0	0	0	0	42,165	0	0	0	42,165
4 ELECTRIC & OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	46,600	0	0	0	46,600
B. ESTIMATED	0	0	0	0	51,875	0	0	0	51,875
C. TOTAL	0	0	0	0	98,475	0	0	0	98,475
5 COMM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	1,080	0	0	0	1,080
B. ESTIMATED	0	0	0	0	25,000	0	0	0	25,000
C. TOTAL	0	0	0	0	26,080	0	0	0	26,080
6 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	950	0	0	0	950
B. ESTIMATED	0	0	0	0	12,500	0	0	0	12,500
C. TOTAL	0	0	0	0	13,450	0	0	0	13,450
SUB-TOTAL	0	0	0	0	1,323,990	0	0	0	1,323,990

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. _____
Peoples Gas System
JBC-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2000 Through December 2000
7 Months Actual

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	1,323,990	0	0	0	1,323,990
7. COMMON COSTS									
A. ACTUAL	0	68,826	500	58,625	0	127,188	0	8,507	263,646
B. ESTIMATED	0	31,174	500	66,375	0	62,991	0	161,040	161,040
C. TOTAL	0	100,000	1,000	125,000	0	190,179	0	8,507	424,686
8. N/A									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
9. N/A									
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
10. N/A									
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
11. N/A									
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
TOTAL	0	100,000	1,000	125,000	1,323,990	190,179	0	8,507	1,748,676

ENERGY CONSERVATION ADJUSTMENT
 January 2000 Through December 2000

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b. CONSERV. ADJ. REV.	(203,932)	(223,327)	(129,919)	(106,380)	(79,102)	(76,716)	(70,048)	(170,955)	(170,955)	(170,955)	(170,955)	(170,955)	(1,744,200)
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(203,932)	(223,327)	(129,919)	(106,380)	(79,102)	(76,716)	(70,048)	(170,955)	(170,955)	(170,955)	(170,955)	(170,955)	(1,744,200)
TOTAL REVENUES	(203,932)	(223,327)	(129,919)	(106,380)	(79,102)	(76,716)	(70,048)	(170,955)	(170,955)	(170,955)	(170,955)	(170,955)	(1,744,200)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233	302,792
CONSERVATION REVS. APPLIC. TO PERIOD	(178,699)	(198,094)	(104,686)	(81,147)	(53,869)	(51,483)	(44,815)	(145,723)	(145,723)	(145,723)	(145,723)	(145,723)	(1,441,408)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	123,120	317,019	143,203	125,078	188,559	92,672	106,945	130,416	130,416	130,416	130,416	130,416	1,748,676
TRUE-UP THIS PERIOD	(55,579)	118,925	38,517	43,931	134,890	41,189	62,130	(15,307)	(15,307)	(15,307)	(15,307)	(15,307)	307,268
INTEREST THIS PERIOD (C-3,PAGE 5)	1,246	1,305	1,607	1,748	2,169	2,593	2,737	2,721	2,513	2,307	2,101	1,893	24,939
TRUE-UP & INT. BEG. OF MONTH	302,792	223,226	318,224	333,114	353,560	465,186	483,735	523,369	485,551	447,524	409,292	370,853	332,207
PRIOR TRUE-UP COLLECT/(REFUND.)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(25,233)	(302,792)
END OF PERIOD TOTAL NET TRUE-UP	223,226	318,224	333,114	353,560	465,186	483,735	523,369	485,551	447,524	409,292	370,853	332,207	332,207

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2000 Through December 2000

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	302,792	223,226	318,224	333,114	353,560	465,186	483,735	523,369	485,551	447,524	409,292	370,853	485,551
END. T-UP BEFORE INT.	221,980	316,918	331,508	351,812	463,017	481,142	520,632	482,830	445,011	406,984	368,752	330,314	336,682
TOT. BEG. & END. T-UP	524,772	540,145	649,731	684,927	816,578	946,329	1,004,367	1,006,198	930,562	854,508	778,044	701,167	822,233
AVERAGE TRUE-UP	262,386	270,072	324,866	342,463	408,289	473,164	502,183	503,099	465,281	427,254	389,022	350,583	411,116
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.6000%	5.8000%	5.8000%	6.0700%	6.1800%	6.5700%	6.5800%	6.5000%	6.4800%	6.4800%	6.4800%	6.4800%	6.4800%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.8000%	5.8000%	6.0700%	6.1800%	6.5700%	6.5800%	6.5000%	6.4800%	6.4800%	6.4800%	6.4800%	6.4800%	6.4800%
TOTAL	11.4000%	11.6000%	11.8700%	12.2500%	12.7500%	13.1500%	13.0800%	12.9800%	12.9600%	12.9600%	12.9600%	12.9600%	12.9600%
AVG INTEREST RATE	5.7000%	5.8000%	5.9350%	6.1250%	6.3750%	6.5750%	6.5400%	6.4900%	6.4800%	6.4800%	6.4800%	6.4800%	6.4800%
MONTHLY AVG. RATE	0.4750%	0.4833%	0.4946%	0.5104%	0.5313%	0.5479%	0.5450%	0.5408%	0.5400%	0.5400%	0.5400%	0.5400%	0.5400%
INTEREST PROVISION	\$1,246	\$1,305	\$1,607	\$1,748	\$2,169	\$2,593	\$2,737	\$2,721	\$2,513	\$2,307	\$2,101	\$1,893	\$24,939

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: 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.

Program Allowances:	Gas Water Heater	\$150.00
	Gas Furnace	\$250.00
	Gas Range	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected new home connections for this period:	2,448
	Actual connections to date this period:	1,630
	Percent of goal:	66.6%
	7 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$1,121,370
	Actual to date:	\$746,370

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: ENERGY SAVINGS PAYBACK (ESP) PROGRAM

Description: This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances.

Program Allowances:	Water Heater	\$50.00
	Central Heater	\$50.00
	Range	\$50.00
	Dryer	\$50.00

Program Goals: Projected Installations for the period: 34

Program Fiscal Expenditures:	Estimated for period:	\$22,450
	Actual to date:	\$12,450

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No.
 Peoples Gas System
 JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

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	\$100.00
---------------------	---	----------

Program Goals:	Projected connections for this period:	422
----------------	--	-----

	Actual connections to date this period:	255
--	---	-----

	Percent of goal:	60.5%
--	------------------	-------

7 Months Actual

Program Fiscal Expenditures:	Estimated for period:	\$42,165
------------------------------	-----------------------	----------

	Actual to date:	\$25,500
--	-----------------	----------

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: Residential Electric & Oil 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.

Program Allowance:	Natural Gas Water Heat	\$250.00
	Natural Gas Furnace	\$500.00
	Natural Gas Range	\$150.00
	Natural Gas Dryer	\$150.00
	Natural Gas Space Heat	\$150.00

Program Goals:	Projected new connections for this period:	409
	Actual connections to date this period:	155
	Percent of goal:	38.0%
	7 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$98,475
	Actual to date:	\$46,600

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowance:	For every KW Displaces	\$30.00
Program Goals:	Projected KWD displaced this period:	869
	Actual KWD displaced this period:	36
	Percent of goal:	4.1%
	7 Months Actual	
Program Fiscal Expenditures:	Estimated for period:	\$26,080
	Actual to date:	\$1,080

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

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.

Program Allowances:	Each customer allowed 100 tons maximum paid allowance / installation at:	\$100.00 per ton
Program Goals:	Projected connections this period: (tons)	135
	Actual connections this period: (tons)	10
	Percent of goal:	7.1%
	7 Months Actual	
Program Fiscal Expenditures:	Estimated for period:	\$13,450
	Actual to date:	\$950

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No.
Peoples Gas System
JBC-4

Peoples Gas System

Reporting: January 2000 Through December 2000

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:	Estimated for period:	\$424,686
	Actual to date:	\$263,646
	Percent of goal:	62.1%
	7 Months Actual	