

1 A. My testimony addresses Peoples' conservation programs, the expenses that Peoples
2 has incurred, the revenues recovered by Peoples through the ECCR clause from
3 January 2001 through August 2001, and the costs that Peoples seeks to recover
4 through the ECCR clause in 2002. My testimony supports the conservation programs
5 of both Peoples Gas System, Inc. and the former West Florida Natural Gas Company.
6 I will hereinafter refer to the former West Florida Natural Gas Company territory as
7 Peoples' "West Florida Region."

8
9 First, my testimony describes generally the actual and projected expenditures made for
10 the purpose of implementing, promoting and operating Peoples' energy conservation
11 programs for the current period. This information includes the adjusted net true-up
12 amounts associated with those programs for the period January 2000 through
13 December 2000. Next, my testimony addresses the actual costs incurred in January
14 2001 through August 2001, and revised projections of program costs that Peoples
15 expects to incur from September 2001 through December 2001. In addition, my
16 testimony presents projected conservation program costs for the period January 2002
17 through December 2002.

18
19 Finally, my testimony presents the calculation of the conservation cost recovery
20 adjustment factors to be applied to customers' bills during the period beginning with
21 the first billing cycle for January 2002 and continuing through the last billing cycle for
22 December 2002.

23
24 Q. Are you sponsoring any exhibits with your testimony?
25

1 A. Yes. I am sponsoring four exhibits produced under my direction and supervision.
2 Exhibit ____ (KMF-1R) contains the conservation cost recovery true-up data for the
3 period January 2000 through December 2000 for Peoples' non-West Florida Region,
4 and Exhibit ____ (KMF-2R) contains similar information for the same period for the
5 West Florida Region. Exhibit ____ (KMF-3) contains the conservation cost recovery
6 true-up data for the period January 2001 through August 2001 as well as reprojected
7 expenses for the period September 2001 through December 2001 for Peoples' non-
8 West Florida Region, and Exhibit ____ (KMF-4) contains similar information for the
9 West Florida Region. In addition, Exhibit ____ (KMF-3) consists of Schedules C-1
10 through C-5, which contain information related to the calculation of the ECCR factors
11 to be applied to customers' bills during the period January through December 2002 in
12 Peoples' non-West Florida Region. Exhibit ____ (KMF-4) contains the same
13 schedules and similar information for Peoples' West Florida Region.

14
15 Q. Have you prepared schedules showing the expenditures associated with Peoples'
16 energy conservation programs for the period January 2000 through December 2000?

17
18 A. Yes. Actual expenses for the period January 2000 through December 2000 for
19 Peoples' non-West Florida Region are shown on Schedule CT-2, page 2, of Exhibit
20 ____ (KMF-1R). Actual expenses for that period for the West Florida Region are
21 shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-2R). In each of these
22 exhibits, Schedule CT-2, page 1 presents a comparison of the actual program costs and
23 true-up amount to the projected costs and true-up amount for the same period.

24
25 Q. What are the Company's true-up amounts for the period January 2000 through

1 December 2000?

2
3 A. With respect to Peoples' non-West Florida Region, as shown on Schedule CT-1 of
4 Exhibit ____ (KMF-1R), the end-of-period net true-up for the period is an
5 overrecovery of \$443,731 including both principal and interest. The projected true-up
6 for the period, as approved by Commission Order No. PSC-00-2392-FOF-EG, was an
7 overrecovery of \$1,200,880 (including interest). Subtracting the projected true-up
8 overrecovery from the actual overrecovery yields the adjusted net true-up of \$757,149
9 underrecovery (including interest).

10
11 With respect to Peoples' West Florida Region, as shown on Schedule CT-1 of Exhibit
12 ____ (KMF-2R), the end-of-period net true-up for the period is an underrecovery of
13 \$758,566, including both principal and interest. The projected true-up for the period,
14 as approved by Commission Order No. PSC-00-2392-FOF-EG, was an underrecovery
15 of \$298,032 (including interest). Subtracting the projected true-up underrecovery
16 from the actual underrecovery yields the adjusted net true-up of \$460,534
17 underrecovery (including interest).

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

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

1 Q. Have you prepared schedules required for the calculation of Peoples' proposed
2 conservation adjustment factors to be applied during the billing periods from January
3 2002 through and including December 2002?
4

5 A. Yes. Schedule C-3 of Exhibit ____ (KMF-3) (for the non-West Florida Region) and
6 Exhibit ____ (KMF-4) (for the West Florida Region) show actual expenses for the
7 period January 2001 through August 2001 and projected expenses for the period
8 September 2001 through December 2001.
9

10 Projected expenses for the January 2002 through December 2002 period are shown on
11 Schedule C-2 of Exhibits ____ (KMF-3) and ____ (KMF-4). The total annual cost
12 projected represents a continuation of Peoples' active expansion of the availability of
13 natural gas throughout the state of Florida. Schedule C-1 of both exhibits shows the
14 calculation of the conservation adjustment factors. The estimated true-up amount
15 from Schedule C-3 (Page 4) of Exhibit ____ (KMF-3) being an underrecovery, and
16 Exhibit ____ (KMF-4) being an underrecovery, were incorporated into the totals of the
17 projected costs for the January 2002 through December 2002 period. The resulting
18 totals of \$9,103,998 (for the non-West Florida Region) and \$2,713,164 (for the West
19 Florida Region) are the total expenses to be recovered during calendar year 2002.
20 These total expenses were then allocated to the Company's affected rate classes
21 pursuant to the methodology approved by the Commission, divided by the expected
22 consumption of each rate class, and then adjusted for the regulatory assessment fee.
23

24 Schedule C-1 of Exhibit ____ (KMF-3) shows the resulting estimated ECCR revenues
25 and adjustment factors by rate class for Peoples' non-West Florida Region for the

1 period January through December 2002. Schedule C-1 of Exhibit ____ (KMF-4)
2 shows the resulting estimated ECCR revenues and adjustment factors by rate class for
3 Peoples' West Florida Region for the same period.
4

5 Q. Does Peoples expect to make any modifications to the manner in which it promotes
6 the approved energy conservation programs during the period January 2002 through
7 December 2002?
8

9 A. Yes. Peoples plans to participate in the statewide GetGasFL advertising campaign.
10 The campaign will promote the energy conservation benefits of gas through the use of
11 multiple media outlets. The intent of the campaign is to direct consumers to a common
12 website. The website will contain additional benefits on the utilization of gas, the
13 availability of gas by region, and contact information, as well as specifics about the
14 energy conservation programs offered.
15

16 Q. Does the proposed campaign meet the guidelines for recovery under Rule 25-17.015,
17 Energy Conservation Cost Recovery?
18

19 A. Yes, the proposed campaign meets the guidelines as established by Rule 25-17.015,
20 Energy Cost Conservation Cost Recovery. The proposed advertising content for the
21 billboards is attached as Exhibit ____ (KMF-5). The radio and television advertising
22 will be consistent with the basic concept of the billboards.
23

24 Q. Has Peoples included the estimated cost of the campaign in the projected costs
25 associated with the conservation programs?

1 A. Yes the estimated cost of the campaign is included in the projections. The amount
2 projected to be spent on the campaign for Peoples non-West Florida Region and West
3 Florida Region combined during calendar year 2002 is \$320,000.

4

5 Q. Does this conclude your prefiled direct testimony?

6

7 A. Yes, it does.

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<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM, INC.
Except West Florida Region
Exhibit No. _____
Docket No. 010004-GU
KMF-1R

ADJUSTED NET TRUE-UP
JANUARY 2000 THROUGH DECEMBER 2000

END OF PERIOD NET TRUE-UP

PRINCIPAL	-362,163	
INTEREST	<u>-81,569</u>	-443,731

LESS PROJECTED TRUE-UP

PRINCIPAL	-1,117,645	
INTEREST	<u>-83,235</u>	<u>-1,200,880</u>

ADJUSTED NET TRUE-UP		<u>757,149</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2000 THROUGH DECEMBER 2000

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	645,860	712,566	-66,706
MATERIALS & SUPPLIES	4,496	12,000	-7,504
ADVERTISING	1,029,414	1,300,000	-270,586
INCENTIVES	6,743,775	7,177,126	-433,351
OUTSIDE SERVICES	69,599	100,000	-30,401
VEHICLES	3,764	15,000	-11,236
OTHER	<u>1,563,570</u>	<u>75,000</u>	<u>1,488,570</u>
SUB-TOTAL	10,060,478	9,391,692	668,786
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	10,060,478	9,391,692	668,786
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-10,422,641	-10,509,340	86,699
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	-362,163	-1,117,648	755,485
INTEREST PROVISION	<u>-81,569</u>	<u>-83,235</u>	<u>1,666</u>
END OF PERIOD TRUE-UP	<u>-443,731</u>	<u>-1,200,883</u>	<u>757,152</u>

() REFLECTS OVER-RECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2000 THROUGH DECEMBER 2000

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	5,925,671	0	0	0	5,925,671
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	221,100	0	0	0	221,100
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	6,930	0	0	0	6,930
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	125,046	0	0	0	125,046
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	370,028	0	0	0	370,028
PROGRAM 8: COMMON COSTS	645,860	4,496	1,029,414	0	69,599	3,764	1,563,570	3,316,703
PROGRAM 9: GAS SPACE COND	0	0	0	15,000	0	0	0	15,000
PROGRAM 10: MONITORING & RESEARCH	0	0	0	80,000	0	0	0	80,000
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
TOTAL	645,860	4,496	1,029,414	6,743,775	69,599	3,764	1,563,570	10,060,478

11

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2000 THROUGH DECEMBER 2000

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	-6,834	0	0	0	-6,834
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-575	0	0	0	-575
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	-14,565	0	0	0	-14,565
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	33,606	0	0	0	33,606
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	-485,608	0	0	0	-485,608
PROGRAM 8: COMMON COSTS	-66,706	-7,504	-270,586	0	-30,401	-11,236	1,488,570	1,102,137
PROGRAM 9: GAS SPACE COND.	0	0	0	-39,375	0	0	0	-39,375
PROGRAM 10: MONITORING & RESEARCH	0	0	0	80,000	0	0	0	80,000
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
TOTAL	-66,706	-7,504	-270,586	-433,351	-30,401	-11,236	1,488,570	668,786

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

**ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2000 THROUGH DECEMBER 2000**

EXPENSES:	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEPT 2000	OCT 2000	NOV 2000	DEC 2000	TOTAL
PROGRAM 1:	343,115	367,625	368,520	891,675	482,505	615,200	363,865	502,871	614,100	377,815	530,840	467,540	5,925,671
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	23,200	19,600	23,100	13,600	15,000	16,200	19,100	18,900	14,700	23,700	17,600	16,400	221,100
PROGRAM 4:	660	330	2,640	330	0	330	330	660	0	330	1,320	0	6,930
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	840	2,880	3,600	1,080	21,840	1,200	13,280	21,162	12,880	40,580	5,704	125,046
PROGRAM 7:	36,027	33,757	43,520	25,925	23,175	31,695	36,535	36,472	26,250	28,702	23,365	24,605	370,028
PROGRAM 8:	86,834	176,658	180,267	218,310	231,994	121,328	135,355	148,305	157,692	135,579	616,803	1,107,579	3,316,703
PROGRAM 9:	0	0	0	0	0	15,000	0	0	0	0	0	0	15,000
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	80,000	0	80,000
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
TOTAL	489,836	598,810	620,927	1,153,440	753,754	821,593	556,385	720,488	833,904	579,006	1,310,508	1,621,828	10,060,478
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	489,836	598,810	620,927	1,153,440	753,754	821,593	556,385	720,488	833,904	579,006	1,310,508	1,621,828	10,060,478

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 JANUARY 2000 THROUGH DECEMBER 2000

CONSERVATION REVENUES	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEP 2000	OCT 2000	NOV 2000	DEC 2000	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	-1,183,116	-1,236,337	-1,042,424	-854,184	-822,300	-705,131	-667,491	-616,113	-668,869	-683,401	-776,549	-1,138,722	0
4. TOTAL REVENUES	-1,183,116	-1,236,337	-1,042,424	-854,184	-822,300	-705,131	-667,491	-616,113	-668,869	-683,401	-776,549	-1,138,722	0
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-2,334	-28,004
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-1,185,450	-1,238,671	-1,044,758	-856,518	-824,634	-707,465	-669,825	-618,447	-671,203	-685,735	-778,883	-1,141,056	-28,004
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	489,836	598,810	620,927	1,153,440	753,754	821,593	556,385	720,488	833,904	579,006	1,310,508	1,621,828	10,060,478
8. TRUE-UP THIS PERIOD	-695,614	-639,861	-423,831	296,922	-70,880	114,129	-113,440	102,041	162,701	-106,729	531,825	480,772	-362,163
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-1,780	-5,035	-7,796	-8,398	-8,172	-8,342	-8,329	-8,328	-7,645	-7,528	-6,480	-3,734	-81,569
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-28,004	-723,064	-1,365,626	-1,794,920	-1,504,062	-1,580,780	-1,472,660	-1,592,095	-1,496,048	-1,338,658	-1,450,581	-923,103	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	2,334	2,334	2,334	2,334	2,334	2,334	2,334	2,334	2,334	2,334	2,334	2,334	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	-723,064	-1,365,626	-1,794,920	-1,504,062	-1,580,780	-1,472,660	-1,592,095	-1,496,048	-1,338,658	-1,450,581	-923,103	-443,731	-443,731

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2000 THROUGH DECEMBER 2000

	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEPT 2000	OCT 2000	NOV 2000	DEC 2000	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	-28,004	-723,064	-1,365,626	-1,794,920	-1,504,062	-1,580,780	-1,472,660	-1,592,095	-1,496,048	-1,338,658	-1,450,581	-923,103	
2. ENDING TRUE-UP BEFORE INTEREST	-721,284	-1,360,591	-1,787,123	-1,495,664	-1,572,608	-1,464,318	-1,583,766	-1,487,720	-1,331,013	-1,443,053	-916,622	-439,997	
3. TOTAL BEGINNING & ENDING TRUE-UP	-749,288	-2,083,654	-3,152,749	-3,290,583	-3,076,669	-3,045,098	-3,056,426	-3,079,815	-2,827,062	-2,781,711	-2,367,203	-1,363,100	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-374,644	-1,041,827	-1,576,375	-1,645,292	-1,538,335	-1,522,549	-1,528,213	-1,539,907	-1,413,531	-1,390,856	-1,183,602	-681,550	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.650%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.650%	6.500%	
7. TOTAL (SUM LINES 5 & 6)	11.400%	11.600%	11.870%	12.250%	12.750%	13.150%	13.080%	12.980%	12.980%	12.990%	13.140%	13.150%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.700%	5.800%	5.935%	6.125%	6.375%	6.575%	6.540%	6.490%	6.490%	6.495%	6.570%	6.575%	
9. MONTHLY AVG INTEREST RATE	0.475%	0.483%	0.495%	0.510%	0.531%	0.548%	0.545%	0.541%	0.541%	0.541%	0.548%	0.548%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-1,780	-5,035	-7,796	-8,398	-8,172	-8,342	-8,329	-8,328	-7,645	-7,528	-6,480	-3,734	-81,569

Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

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.....	\$250
	Gas Furnace.....	\$250
	Gas Range.....	\$85
	Gas Dryer.....	\$85

Program Summary

New Home Goal:	6,066
New Homes Connected:	<u>9,290</u>
Variance:	-3,224
Percent of Goal:	153.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$5,932,505
Actual Cost:	\$5,925,671
Variance:	\$6,834

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COMPANY, PEOPLES GAS SYSTEM
 Except West Florida Region
 Exhibit No _____
 Docket No 010004-GU
 KMF-1R

Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

Name: Residential Conservation Service Program

Description: This program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk Through Audits

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

Program Summary

Program Goal:	0
Program Accomplishments:	0
Variance:	<u>0</u>
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

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Program Progress Report

Reporting Period: **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**

Program Summary

Goals:	1,644
Actual:	<u>2,242</u>
Variance:	-598
Percent of Goal:	136.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$221,675
Actual Cost:	\$221,100
Variance:	\$575

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Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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..... \$330

Program Summary

Goals:	72
Actual:	<u>21</u>
Variance:	51
Percent of Goal:	29.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$21,495
Actual Cost:	\$6,930
Variance:	\$14,565

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Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

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: JANUARY 2000 THROUGH DECEMBER 2000

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 deferral \$4,000

Program Summary

Program Goal:	Projected KWD displaced this period	2,224
	Actual KWD displaced this period	1,038
Variance:		1,186
Percent of Goal:		46.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$91,440
Actual Cost:	\$125,046
Variance:	-\$33,606

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Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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

Program Summary

Program Goal:	668
Program Accomplishments:	<u>645</u>
Variance:	23
Percent of Goal:	96.6%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$855,636
Actual Cost:	\$370,028
Variance:	\$485,608

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Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$2,214,566
Actual Cost:	\$3,316,703
Variance:	-\$1,102,137

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Program Progress Report

Reporting Period: **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 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 a \$150 /ton

Program Summary

Goals:	325
Actual:	<u>270 tons</u>
Variance:	55
Percent of Goal:	83.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$54,375
Actual Cost:	\$15,000
Variance:	\$39,375

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COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No _____
Docket No. 010004-GU
KMF-1R

Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

Name: Program Monitoring, Evaluation and Reaserch Demonstration

Program Summary: The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$80,000
Variance:	-\$80,000

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SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM, INC.
West Florida Region
Exhibit No. _____
Docket No. 010004-GU
KMF-2R

ADJUSTED NET TRUE-UP
JANUARY 2000 THROUGH DECEMBER 2000

END OF PERIOD NET TRUE-UP

PRINCIPAL	728,273	
INTEREST	<u>30,293</u>	758,566

LESS PROJECTED TRUE-UP

PRINCIPAL	275,170	
INTEREST	<u>22,862</u>	<u>298,032</u>

ADJUSTED NET TRUE-UP		<u>460,534</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2000 THROUGH DECEMBER 2000

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	127,493	100,000	27,493
MATERIALS & SUPPLIES	804	1,000	(196)
ADVERTISING	100,858	125,000	(24,142)
INCENTIVES	1,432,140	1,323,990	108,150
OUTSIDE SERVICES	155,395	190,179	(34,784)
VEHICLES	0	0	0
OTHER	21,244	8,507	12,737
SUB-TOTAL	1,837,934	1,748,676	89,258
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	1,837,934	1,748,676	89,258
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(1,109,661)	(1,473,502)	363,841
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	728,273	275,174	453,099
INTEREST PROVISION	30,293	22,862	7,431
END OF PERIOD TRUE-UP	758,566	298,036	460,530

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

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2000 THROUGH DECEMBER 2000

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	1,284,820	0	0	0	1,284,820
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	46,100	0	0	0	46,100
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	0	0	0	0	0
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	3,720	0	0	0	3,720
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	77,500	0	0	0	77,500
PROGRAM 8: COMMON COSTS	127,493	804	100,858	0	155,395	0	21,244	405,794
PROGRAM 9: GAS SPACE COND	0	0	0	950	0	0	0	950
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 11: ENERGY SAVINGS PAYBACK PROG	0	0	0	19,050	0	0	0	19,050
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
TOTAL	127,493	804	100,858	1,432,140	155,395	0	21,244	1,837,934

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2000 THROUGH DECEMBER 2000

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	163,450	0	0	0	163,450
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	3,935	0	0	0	3,935
PROGRAM 4: OIL HEATER REPLACEMENT	0	0	0	0	0	0	0	0
PROGRAM 5: SM PKG COGENERATION	0	0	0	0	0	0	0	0
PROGRAM 6: COMM ELECTRIC REPLACEMENT	0	0	0	(22,360)	0	0	0	(22,360)
PROGRAM 7: RES ELECTRIC REPLACEMENT	0	0	0	(20,975)	0	0	0	(20,975)
PROGRAM 8: COMMON COSTS	27,493	(196)	(24,142)	0	(34,784)	0	12,737	(18,892)
PROGRAM 9: GAS SPACE COND	0	0	0	(12,500)	0	0	0	(12,500)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 11: ENERGY SAVINGS PAYBACK PROG	0	0	0	(3,400)	0	0	0	(3,400)
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
TOTAL	27,493	(196)	(24,142)	108,150	(34,784)	0	12,737	89,258

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2000 THROUGH DECEMBER 2000

EXPENSES:	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEPT 2000	OCT 2000	NOV 2000	DEC 2000	TOTAL
PROGRAM 1:	90,650	240,500	93,300	67,020	122,250	61,150	71,500	71,150	103,900	142,250	82,450	138,700	1,284,820
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	1,900	4,700	5,450	5,700	2,500	3,000	2,250	5,150	5,600	1,100	3,750	5,000	46,100
PROGRAM 4:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	360	0	0	0	720	0	720	0	1,920	0	3,720
PROGRAM 7:	5,700	5,650	4,550	5,900	10,050	8,650	6,100	5,200	8,100	4,650	7,050	5,900	77,500
PROGRAM 8:	23,320	62,487	38,743	44,558	51,709	18,172	22,925	30,796	59,489	18,626	6,405	28,565	405,794
PROGRAM 9:	0	950	0	0	0	0	0	0	0	0	0	0	950
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	1,550	1,000	800	1,900	2,050	1,700	3,450	900	1,750	900	1,950	1,100	19,050
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	123,120	315,287	143,203	125,078	188,559	92,672	106,945	113,196	179,559	167,526	103,525	179,265	1,837,934
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	123,120	315,287	143,203	125,078	188,559	92,672	106,945	113,196	179,559	167,526	103,525	179,265	1,837,934

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2000 THROUGH DECEMBER 2000

CONSERVATION REVENUES	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEP 2000	OCT 2000	NOV 2000	DEC 2000	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	(203,932)	(223,327)	(129,919)	(106,380)	(79,102)	(76,716)	(70,048)	(62,458)	(63,820)	(85,139)	(90,416)	(189,097)	(1,380,354)
4. TOTAL REVENUES	(203,932)	(223,327)	(129,919)	(106,380)	(79,102)	(76,716)	(70,048)	(62,458)	(63,820)	(85,139)	(90,416)	(189,097)	(1,380,354)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	270,693
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(181,374)	(200,769)	(107,361)	(83,822)	(56,544)	(54,158)	(47,490)	(39,900)	(41,262)	(62,581)	(67,858)	(166,539)	(1,109,661)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	123,120	315,287	143,203	125,078	188,559	92,672	106,945	113,196	179,559	167,526	103,525	179,265	1,837,934
8. TRUE-UP THIS PERIOD	(58,254)	114,517	35,842	41,256	132,015	38,514	59,455	73,296	138,296	104,945	35,667	12,726	728,273
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	1,094	1,145	1,438	1,573	1,986	2,403	2,547	2,778	3,243	3,800	4,126	4,160	30,293
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	270,693	190,975	284,080	298,802	319,072	430,515	448,874	488,318	541,834	660,816	747,002	764,237	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	(22,558)	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	190,975	284,080	298,802	319,072	430,515	448,874	488,318	541,834	660,816	747,002	764,237	758,566	758,566

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2000 THROUGH DECEMBER 2000

INTEREST PROVISION	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEPT 2000	OCT 2000	NOV 2000	DEC 2000	TOTAL
1. BEGINNING TRUE-UP	270,693	190,975	284,080	298,802	319,072	430,515	448,874	488,318	541,834	660,816	747,002	764,237	
2. ENDING TRUE-UP BEFORE INTEREST	189,881	282,934	297,364	317,500	428,529	446,471	485,771	539,056	657,572	743,203	760,111	754,405	
3. TOTAL BEGINNING & ENDING TRUE-UP	460,574	473,909	581,443	616,301	747,602	876,986	934,645	1,027,373	1,199,406	1,404,019	1,507,114	1,518,642	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	230,287	236,955	290,722	308,151	373,801	438,493	467,322	513,687	599,703	702,009	753,557	759,321	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.650%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.800%	5.800%	6.070%	6.180%	6.570%	6.580%	6.500%	6.480%	6.500%	6.490%	6.650%	6.500%	
7. TOTAL (SUM LINES 5 & 6)	11.400%	11.600%	11.870%	12.250%	12.750%	13.150%	13.080%	12.980%	12.980%	12.990%	13.140%	13.150%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.700%	5.800%	5.935%	6.125%	6.375%	6.575%	6.540%	6.490%	6.490%	6.495%	6.570%	6.575%	
9. MONTHLY AVG INTEREST RATE	0.475%	0.483%	0.495%	0.510%	0.531%	0.548%	0.545%	0.541%	0.541%	0.541%	0.548%	0.548%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	1,094	1,145	1,438	1,573	1,986	2,403	2,547	2,778	3,243	3,800	4,126	4,160	30,293

Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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 Heat	\$150
	Gas Furnace.....	\$250
	Gas Range.....	\$100
	Gas Dryer.....	\$100

Program Summary

New Home Goal:	721
New Homes Connected:	2,141
Variance:	(1,420)
Percent of Goal:	296.9%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,121,370
Actual Cost:	\$1,284,820
Variance:	(\$163,450)

(2)
(3)

Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

Name: **Residential Conservation Service Program**

Description: This program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk Through Audits

Customer Audit Charges:	Class "A" Audit	\$15
	Walk-Through A	No Charge
	Mini-Walk Throu	No Charge

Program Summary

Program Goal:	0
Program Accomplishments:	0
Variance:	0
Percent of Goal:	0.0%

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

Conservation Cost Variance - Actual Vs. Projected

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

3.1

Program Progress Report

Reporting Period: **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

Program Summary

Goals:	341
Actual:	461
Variance:	(120)
Percent of Goal:	135.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$42,165
Actual Cost:	\$46,100
Variance:	(\$3,935)

Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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:	0
Variance:	0
Percent of Goal:	NA

Conservation Cost Variance - Actual Vs. Projected

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

Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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:	0
Variance:	0
Percent of Goal:	0.0%

Conservation Cost Variance - Actual Vs. Projected

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

Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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:	631
Program Accomplishments:	124
Variance:	507
Percent of Goal:	19.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$26,080
Actual Cost:	\$3,720
Variance:	\$22,360

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Program Progress Report

Reporting Period: **JANUARY 2000 THROUGH DECEMBER 2000**

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 Wat	\$250
	Natural Gas Fur	\$500
	Natural Gas Ran	\$150
	Natural Gas Dry	\$150
	Natural Gas Spa	\$150

Program Summary

Program Goal:	253
Program Accomplishments:	64
Variance:	189
Percent of Goal:	25.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$98,475
Actual Cost:	\$77,500
Variance:	\$20,975

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COMPANY: PEOPLES GAS SYSTEM
West Florida Region
Exhibit No _____
Docket No 010004-GU
KMF-2R

Program Progress Report

Reporting Period:

JANUARY 2000 THROUGH DECEMBER 2000

Name:

Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$424,686
Actual Cost:	\$405,794
Variance:	\$18,892

Program Progress Report

Reporting Period: **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 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/installa \$100 /ton

Program Summary

Goals:	100
Actual:	10
Variance:	91
Percent of Goal:	9.5%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$13,450
Actual Cost:	\$950
Variance:	\$12,500

Program Progress Report

Reporting Period: JANUARY 2000 THROUGH DECEMBER 2000

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 in lieu of standard gas or electric appliances.

Installation allowance is \$50.00 per Appliance

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$22,450
Actual Cost:	\$19,050
Variance:	\$3,400

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Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 010004-GU
 KMF-3

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2002 Through December 2002

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	9,052,611
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	51,387
3. TOTAL (LINE 1 AND LINE 2)	9,103,998

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	2,656,763	55,032,720	18,597,341	22,627,803	41,225,144	3,297,744	7.99935%	0.05992	1.00503	0.06022
SMALL COMMERCIAL	55,475	2,643,963	832,125	892,020	1,724,145	137,920	7.99935%	0.05216	1.00503	0.05243
COMMERCIAL	223,992	126,314,899	3,807,864	30,787,993	34,595,857	2,767,444	7.99935%	0.02191	1.00503	0.02202
COMM. LGE VOL I	25,642	139,951,684	641,050	30,593,438	31,234,488	2,498,556	7.99935%	0.01785	1.00503	0.01794
COMM. LGE VOL II	223	29,726,018	10,035	4,802,238	4,812,273	384,951	7.99935%	0.01295	1.00503	0.01302
STREET LIGHTING	1,145	1,686,583	0	159,331.00	159,331	12,745	7.99935%	0.00756	1.00503	0.00759
NGVS	240	785,235	6,000	51,983	57,983	4,638	7.99935%	0.00591	1.00503	0.00594
TOTAL	2,963,480	356,141,102	23,894,415	89,914,806	113,809,221	9,103,998				

Company:

Peoples Gas System

Except West Florida Region

Exhibit No. _____

Docket No. 010004-GU

KMF-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2002 Through December 2002

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	6,407,061	0	0	0	6,407,061
2 WATER HEATER LOAD RET	0	0	0	0	206,182	0	0	0	206,182
3 OIL HEAT REPLACEMENT	0	0	0	0	18,000	0	0	0	18,000
4 SMALL PKG COGEN	0	0	0	0	40,000	0	0	0	40,000
5 COM ELECTRIC REPLACEMENT	0	0	0	0	150,932	0	0	0	150,932
6 RES ELECTRIC REPLACEMENT	0	0	0	0	370,436	0	0	0	370,436
7 COMMON COSTS	0	500,000	20,000	1,190,000	0	50,000	0	50,000	1,810,000
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	500,000	20,000	1,190,000	7,242,611	50,000	0	50,000	9,052,611

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2001 Through December 2001
 8 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	4,103,282	0	0	0	4,103,282
B ESTIMATED	0	0	0	0	2,042,516	0	0	0	2,042,516
C TOTAL	0	0	0	0	6,145,798	0	0	0	6,145,798
2 WATER HEATER LOAD RET									
A ACTUAL	0	0	0	0	168,100	0	0	0	168,100
B ESTIMATED	0	0	0	0	73,332	0	0	0	73,332
C. TOTAL	0	0	0	0	241,432	0	0	0	241,432
3 OIL HEAT REPLACEMENT									
A ACTUAL	0	0	0	0	4,290	0	0	0	4,290
B. ESTIMATED	0	0	0	0	8,332	0	0	0	8,332
C TOTAL	0	0	0	0	12,622	0	0	0	12,622
4 SMALL PKG COGEN									
A ACTUAL	0	0	0	0	26,620	0	0	0	26,620
B ESTIMATED	0	0	0	0	10,000	0	0	0	10,000
C TOTAL	0	0	0	0	36,620	0	0	0	36,620
5 COM ELECTRIC REPLACEMENT									
A ACTUAL	0	0	0	0	81,600	0	0	0	81,600
B. ESTIMATED	0	0	0	0	33,332	0	0	0	33,332
C TOTAL	0	0	0	0	114,932	0	0	0	114,932
6 RES ELECTRIC REPLACEMENT									
A ACTUAL	0	0	0	0	244,291	0	0	0	244,291
B ESTIMATED	0	0	0	0	369,000	0	0	0	369,000
C. TOTAL	0	0	0	0	613,291	0	0	0	613,291
SUB-TOTAL	0	0	0	0	7,164,695	0	0	0	7,164,695

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2001 Through December 2001
8 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	7,164,695	0	0	0	7,164,695
7. COMMON COSTS									
A. ACTUAL	0	244,246	1,254	493,784	0	3,650	414	7,515	750,864
B. ESTIMATED	0	233,333	6,667	333,333	0	33,333	0	639,999	639,999
C. TOTAL	0	477,579	7,921	827,117	0	36,983	414	40,848	1,390,863
8. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	30,000	0	0	0	30,000
C. TOTAL	0	0	0	0	30,000	0	0	0	30,000
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	477,579	7,921	827,117	7,194,695	36,983	414	40,848	8,585,558

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CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2001 Through December 2001
 8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	503,745	391,055	479,405	495,125	529,650	478,814	591,325	634,163	510,629	510,629	510,629	510,629	6,145,798
WATER HEATER LOAD RET	17,800	16,200	18,600	16,800	50,500	16,700	17,400	14,100	18,333	18,333	18,333	18,333	241,432
OIL HEAT REPLACEMENT	1,650	330	1,320	330	660	0	0	0	2,083	2,083	2,083	2,083	12,622
SMALL PKG COGEN	20,000	5,000	0	0	0	0	0	1,620	2,500	2,500	2,500	2,500	36,620
COM ELECTRIC REPLACEME	12,280	14,100	18,760	7,920	7,400	14,560	900	5,660	8,333	8,333	8,333	8,333	114,932
RES ELECTRIC REPLACEMEN	28,235	28,953	39,930	39,720	19,898	43,228	23,195	21,132	92,250	92,250	92,250	92,250	613,291
COMMON COSTS	67,138	112,439	71,921	91,429	116,300	99,075	98,618	93,944	160,000	160,000	160,000	160,000	1,390,863
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	7,500	7,500	7,500	7,500	30,000
N/A	0	-80,000	0	80,000	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	650,848	488,077	629,936	731,324	724,408	652,377	731,438	770,639	801,628	801,628	801,628	801,628	8,585,558

ENERGY CONSERVATION ADJUSTMENT
January 2001 Through December 2001

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.	-1,163,511	-1,058,198	-764,726	-709,635	-635,383	-554,528	-524,874	-526,684	-526,684	-526,684	-526,684	-526,684	-8,044,275
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV. (NET OF REV. TAXES)	-1,163,511	-1,058,198	-764,726	-709,635	-635,383	-554,528	-524,874	-526,684	-526,684	-526,684	-526,684	-526,684	-8,044,275
TOTAL REVENUES	-1,163,511	-1,058,198	-764,726	-709,635	-635,383	-554,528	-524,874	-526,684	-526,684	-526,684	-526,684	-526,684	-8,044,275
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-36,978	-443,731
CONSERVATION REVS. APPLIC TO PERIOD	-1,200,489	-1,095,176	-801,704	-746,613	-672,361	-591,506	-561,852	-563,662	-563,662	-563,662	-563,662	-563,662	-8,488,006
CONSERVATION EXPS. (FORM C-3, PAGE 3)	650,848	488,077	629,936	731,324	724,408	652,377	731,438	770,639	801,628	801,628	801,628	801,628	8,585,558
TRUE-UP THIS PERIOD	-549,641	-607,099	-171,768	-15,289	52,047	60,871	169,586	206,977	237,966	237,966	237,966	237,966	97,552
INTEREST THIS PERIOD (C-3,PAGE 5)	-3,515	-5,550	-6,779	-6,506	-5,600	-4,933	-4,187	-3,358	-2,617	-1,830	-1,040	-248	-46,165
TRUE-UP & INT BEG OF MONTH	-443,731	-959,909	-1,535,580	-1,677,150	-1,661,966	-1,578,542	-1,485,626	-1,283,249	-1,042,652	-770,325	-497,211	-223,308	51,387
PRIOR TRUE-UP COLLECT./(REFUND)	36,978	36,978	36,978	36,978	36,978	36,978	36,978	36,978	36,978	36,978	36,978	36,978	443,731
END OF PERIOD TOTAL NET TRUE-UP	-959,909	-1,535,580	-1,677,150	-1,661,966	-1,578,542	-1,485,626	-1,283,249	-1,042,652	-770,325	-497,211	-223,308	51,387	51,387

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2001 Through December 2001

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	-443,731	-959,909	-1,535,580	-1,677,150	-1,661,966	-1,578,542	-1,485,626	-1,283,249	-1,042,652	-770,325	-497,211	-223,308	51,387
END T-UP BEFORE INT	-956,394	-1,530,030	-1,670,370	-1,655,461	-1,572,941	-1,480,693	-1,279,062	-1,039,294	-767,708	-495,381	-222,268	51,635	592,670
TOT. BEG. & END T-UP	-1,400,125	-2,489,939	-3,205,951	-3,332,610	-3,234,907	-3,059,234	-2,764,687	-2,322,543	-1,810,360	-1,265,707	-719,479	-171,673	644,057
AVERAGE TRUE-UP	-700,063	-1,244,969	-1,602,975	-1,666,305	-1,617,454	-1,529,617	-1,382,344	-1,161,271	-905,180	-632,853	-359,740	-85,836	322,029
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	6.5000%	5.5500%	5.1500%	5.0000%	4.3700%	3.9400%	3.8000%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.5500%	5.1500%	5.0000%	4.3700%	3.9400%	3.8000%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
TOTAL	12.0500%	10.7000%	10.1500%	9.3700%	8.3100%	7.7400%	7.2700%	6.9400%	6.9400%	6.9400%	6.9400%	6.9400%	6.9400%
AVG INTEREST RATE	6.0250%	5.3500%	5.0750%	4.6850%	4.1550%	3.8700%	3.6350%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
MONTHLY AVG RATE	0.5021%	0.4458%	0.4229%	0.3904%	0.3463%	0.3225%	0.3029%	0.2892%	0.2892%	0.2892%	0.2892%	0.2892%	0.2892%
INTEREST PROVISION	-\$3,515	-\$5,550	-\$6,779	-\$6,506	-\$5,600	-\$4,933	-\$4,187	-\$3,358	-\$2,617	-\$1,830	-\$1,040	-\$248	-\$46,165

Peoples Gas System

Reporting: January 2001 Through December 2001

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:	11,466
Actual connections to date this period:	7,655
Percent of goal: 8 Months of Actuals	66.8%

Program Fiscal Expenditures:	Estimated for period:	\$6,145,798
	Actual to date:	\$4,103,282

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Peoples Gas System

Reporting: January 2001 Through December 2001

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: 2,414

Actual connections to date this period: 1,681

Percent of goal: 69.6%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$241,432

Actual to date: \$168,100

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Peoples Gas System

Reporting: January 2001 Through December 2001

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: 38

Actual connections to date this period: 13

Percent of goal: 34.0%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$12,622

Actual to date: \$4,290

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Company: Peoples Gas System
Except West Florida Region
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KMF-3

Peoples Gas System

Reporting: January 2001 Through December 2001

Name: Small Package Cogeneration Program

Description: This Program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

Program Goals: Audit requests, or workshops this period:

Program Fiscal Expenditures:	Estimated for period:	\$36,620
	Actual to date:	\$26,620

Peoples Gas System

Reporting: January 2001 Through December 2001

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: 2,873
Actual KWD displaced this period: 2,040
Percent of goal: 71.0%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$114,932
Actual to date: \$81,600

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Peoples Gas System

Reporting: January 2001 Through December 2001

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:	997
	Actual connections to date this period:	397
	Percent of goal:	39.8%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$613,291
	Actual to date:	\$244,291

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03

Peoples Gas System

Reporting: January 2001 Through December 2001

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:	\$1,390,863
Actual to date:	\$750,864
Percent of goal:	54.0%
8 Months of Actuals	

Peoples Gas System

Reporting: January 2001 Through December 2001

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 a \$150 per ton

Program Goals:

Projected connections this period: (tons)	200
Actual connections this period: (tons)	0
Percent of goal:	0.0%
8 Months of Actuals	

Program Fiscal Expenditures:

Estimated for period:	\$30,000
Actual to date:	\$0

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 010004-GU
 KMF-4

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2002 Through December 2002

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	1,767,216
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	945,948
3. TOTAL (LINE 1 AND LINE 2)	2,713,164

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	412,487	10,676,088	2,887,409	3,472,398	6,359,807	1,359,930	21.38320%	0.12738	1.00503	0.12802
COMMERCIAL	34,977	14,816,754	349,770	2,426,688	2,776,458	593,696	21.38320%	0.04007	1.00503	0.04027
COMM. LGE VOL I	156	3,414,085	7,800	472,509	480,309	102,705	21.38320%	0.03008	1.00503	0.03023
INDUSTRIAL	24	22,185,864	1,200	3,070,524	3,071,724	656,833	21.38320%	0.02961	1.00503	0.02975
TOTAL	447,644	51,092,791	3,246,179	9,442,119	12,688,298	2,713,164				

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 010004-GU
 KMF-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2002 Through December 2002

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	1,332,780	0	0	0	1,332,780
2 ENERGY SAVINGS PAYBACK	0	0	0	0	23,000	0	0	0	23,000
3 WATER HEATER LOAD RET	0	0	0	0	38,836	0	0	0	38,836
4 RES ELECTRIC REPLACEMENT	0	0	0	0	50,600	0	0	0	50,600
5 COM ELECTRIC REPLACEMENT	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	52,000	0	210,000	0	0	0	20,000	282,000
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	52,000	0	210,000	1,485,216	0	0	20,000	1,767,216

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

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2001 Through December 2001
8 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	1,041,050	0	0	0	1,041,050
B. ESTIMATED	0	0	0	0	351,132	0	0	0	351,132
C TOTAL	0	0	0	0	1,392,182	0	0	0	1,392,182
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	12,670	0	0	0	12,670
B ESTIMATED	0	0	0	0	7,668	0	0	0	7,668
C. TOTAL	0	0	0	0	20,338	0	0	0	20,338
3 WATER HEATER LOAD RET									
A ACTUAL	0	0	0	0	36,450	0	0	0	36,450
B. ESTIMATED	0	0	0	0	15,000	0	0	0	15,000
C TOTAL	0	0	0	0	51,450	0	0	0	51,450
4 RES ELECTRIC REPLACEMENT									
A ACTUAL	0	0	0	0	32,900	0	0	0	32,900
B ESTIMATED	0	0	0	0	26,668	0	0	0	26,668
C TOTAL	0	0	0	0	59,568	0	0	0	59,568
5 COM ELECTRIC REPLACEMENT									
A ACTUAL	0	0	0	0	14,880	0	0	0	14,880
B ESTIMATED	0	0	0	0	8,332	0	0	0	8,332
C TOTAL	0	0	0	0	23,212	0	0	0	23,212
6 GAS SPACE CONDITIONING									
A ACTUAL	0	0	0	0	600	0	0	0	600
B ESTIMATED	0	0	0	0	5,000	0	0	0	5,000
C TOTAL	0	0	0	0	5,600	0	0	0	5,600
SUB-TOTAL	0	0	0	0	1,552,350	0	0	0	1,552,350

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Company: Peoples Gas System
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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2001 Through December 2001
 8 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	1,552,350	0	0	0	1,552,350
7. COMMON COSTS									
A. ACTUAL	0	38,567	67	88,017	0	-23	0	212	126,840
B. ESTIMATED	0	16,667	0	33,333	0	41,667	0	98,334	98,334
C. TOTAL	0	55,234	67	121,350	0	41,644	0	6,879	225,174
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	55,234	67	121,350	1,552,350	41,644	0	6,879	1,777,524

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CONSERVATION PROGRAM COSTS BY PROGRAM

ACTUAL/ESTIMATED

January 2001 Through December 2001

8 Months Actual

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	115,750	71,450	213,100	72,100	129,600	170,300	82,600	186,150	87,783	87,783	87,783	87,783	1,392,182
ENERGY SAVINGS PAYBACK	1,950	2,600	1,500	650	1,600	750	1,250	2,370	1,917	1,917	1,917	1,917	20,338
WATER HEATER LOAD RET	2,600	6,600	4,400	3,700	7,200	3,300	3,450	5,200	3,750	3,750	3,750	3,750	51,450
RES ELECTRIC REPLACEMENT	4,750	5,400	3,800	2,400	5,150	5,000	2,900	3,500	6,667	6,667	6,667	6,667	59,568
COM ELECTRIC REPLACEMENT	0	2,160	12,000	0	0	0	0	720	2,083	2,083	2,083	2,083	23,212
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	600	1,250	1,250	1,250	1,250	5,600
COMMON COSTS	14,870	17,626	10,180	22,410	22,550	14,174	11,399	13,631	24,584	24,584	24,584	24,584	225,174
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	139,920	105,836	244,980	101,260	166,100	193,524	101,599	212,171	128,034	128,034	128,034	128,034	1,777,524

ENERGY CONSERVATION ADJUSTMENT
January 2001 Through December 2001

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	-304,131	-234,581	-161,065	-154,270	-110,081	-109,893	-84,480	-91,941	-91,941	-91,941	-91,941	-91,941	-1,618,206
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV (NET OF REV. TAXES)	-304,131	-234,581	-161,065	-154,270	-110,081	-109,893	-84,480	-91,941	-91,941	-91,941	-91,941	-91,941	-1,618,206
TOTAL REVENUES	-304,131	-234,581	-161,065	-154,270	-110,081	-109,893	-84,480	-91,941	-91,941	-91,941	-91,941	-91,941	-1,618,206
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	63,214	63,214	63,214	63,214	63,214	63,214	63,214	63,214	63,214	63,214	63,214	63,214	758,566
CONSERVATION REVS APPLIC TO PERIOD	-240,917	-171,367	-97,851	-91,056	-46,867	-46,679	-21,266	-28,727	-28,727	-26,727	-28,727	-28,727	-859,640
CONSERVATION EXPS (FORM C-3, PAGE 3)	139,920	105,836	244,980	101,260	166,100	193,524	101,599	212,171	128,034	128,034	128,034	128,034	1,777,524
TRUE-UP THIS PERIOD	-100,997	-65,531	147,129	10,204	119,233	146,845	80,333	183,444	99,306	99,306	99,306	99,306	917,884
INTEREST THIS PERIOD (C-3, PAGE 5)	3,396	2,378	2,171	2,073	1,851	1,955	2,044	2,163	2,341	2,452	2,564	2,675	28,064
TRUE-UP & INT BEG OF MONTH	758,566	597,751	471,384	557,470	506,533	564,403	649,989	669,153	791,546	829,980	868,524	907,180	945,948
PRIOR TRUE-UP COLLECT/(REFUND.)	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-63,214	-758,566
END OF PERIOD TOTAL NET TRUE-UP	597,751	471,384	557,470	506,533	564,403	649,989	669,153	791,546	829,980	868,524	907,180	945,948	945,948

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2001 Through December 2001

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	758,566	597,751	471,384	557,470	506,533	564,403	649,989	669,153	791,546	829,980	868,524	907,180	945,948
END. T-UP BEFORE INT.	594,355	469,006	555,299	504,460	562,552	648,034	667,108	789,383	827,639	866,072	904,617	943,273	1,105,266
TOT. BEG. & END T-UP	1,352,921	1,066,758	1,026,684	1,061,931	1,069,086	1,212,437	1,317,098	1,458,535	1,619,185	1,696,052	1,773,141	1,850,453	2,051,215
AVERAGE TRUE-UP	676,461	533,379	513,342	530,965	534,543	606,219	658,549	729,268	809,592	848,026	886,571	925,227	1,025,607
INT. RATE-FIRST DAY OF REPORTING BUS MTH	6.5000%	5.5500%	5.1500%	5.0000%	4.3700%	3.9400%	3.8000%	3.6500%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS MTH	5.5500%	5.1500%	5.0000%	4.3700%	3.9400%	3.8000%	3.6500%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
TOTAL	12.0500%	10.7000%	10.1500%	9.3700%	8.3100%	7.7400%	7.4500%	7.1200%	6.9400%	6.9400%	6.9400%	6.9400%	6.9400%
AVG INTEREST RATE	6.0250%	5.3500%	5.0750%	4.6850%	4.1550%	3.8700%	3.7250%	3.5600%	3.4700%	3.4700%	3.4700%	3.4700%	3.4700%
MONTHLY AVG RATE	0.5021%	0.4458%	0.4229%	0.3904%	0.3463%	0.3225%	0.3104%	0.2967%	0.2892%	0.2892%	0.2892%	0.2892%	0.2892%
INTEREST PROVISION	\$3,396	\$2,378	\$2,171	\$2,073	\$1,851	\$1,955	\$2,044	\$2,163	\$2,341	\$2,452	\$2,564	\$2,675	\$28,064



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Peoples Gas System

Reporting: January 2001 Through December 2001

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:	3,040
	Actual connections to date this period:	2,273
	Percent of goal:	74.8%
	8 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$1,392,182
	Actual to date:	\$1,041,050

Company: Peoples Gas System
West Florida Region
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Peoples Gas System

Reporting: January 2001 Through December 2001

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: 30

Program Fiscal Expenditures: Estimated for period \$20,338

Actual to date: \$12,670

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Peoples Gas System

Reporting: January 2001 Through December 2001

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. **515**

Actual connections to date this period: **365**

Percent of goal: **70.8%**

8 Months Actual

Program Fiscal Expenditures: Estimated for period: **\$51,450**

Actual to date: **\$36,450**

Peoples Gas System

Reporting: January 2001 Through December 2001

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.	247
	Actual connections to date this period:	110
	Percent of goal:	44.4%
	8 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$59,568
	Actual to date.	\$32,900

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Company: Peoples Gas System
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Peoples Gas System

Reporting: January 2001 Through December 2001

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: 774

Actual KWD displaced this period: 496

Percent of goal: 64.1%

8 Months Actual

Program Fiscal Expenditures: Estimated for period. \$23,212

Actual to date: \$14,880

Company: Peoples Gas System
 West Florida Region
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 KMF-4

Peoples Gas System

Reporting: January 2001 Through December 2001

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	\$100.00
		per ton
Program Goals:	Projected connections this period. (tons)	56
	Actual connections this period (tons)	6
	Percent of goal	10.7%
	8 Months Actual	
Program Fiscal Expenditures:	Estimated for period.	\$5,600
	Actual to date:	\$600

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Company: Peoples Gas System
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Peoples Gas System

Reporting: January 2001 Through December 2001

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:	Estimated for period:	\$225,174
	Actual to date:	\$126,840
	Percent of goal:	56.3%
	8 Months Actual	

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Summary: GetGasFL Advertising Campaign

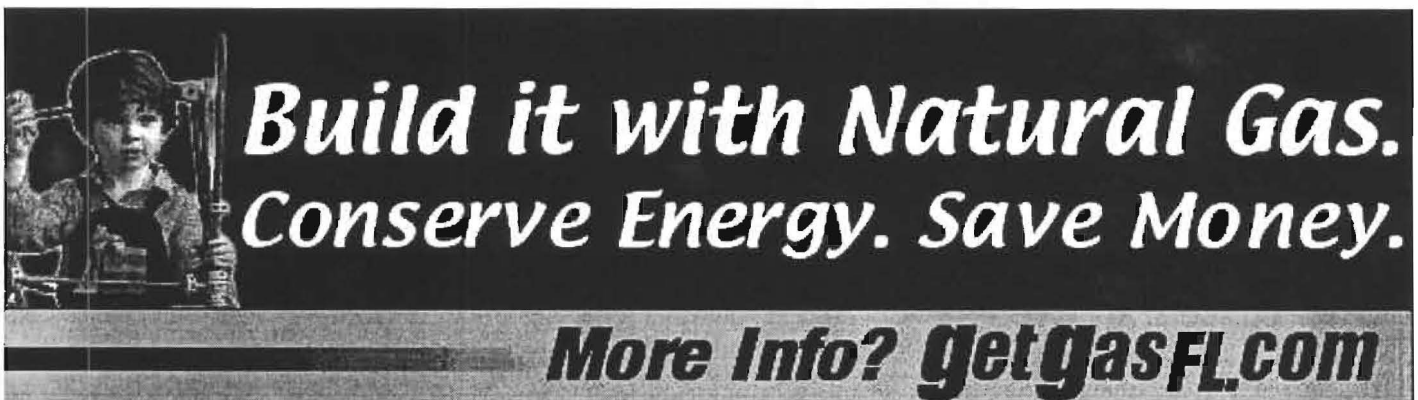
Objectives

- Increase awareness of conservation programs
- Increase customers and throughput
- Increase gas demand in new home construction
- Position gas as the preferred energy choice when available
- Reduce attrition

Billboards



10'6" x 36' 14" Scale



10'6" x 36' 14" Scale

Summary: GetGasFL Advertising Campaign Continued



**99% of Chefs PREFER GAS.
THE OTHER GUY MAKES SUSHI.**

More Info? getgasFL.com

10'6" x 36' 14" Scale



**Getting The Cold Shoulder?
Switch Water Heaters!**

More Info? getgasFL.com

10'6" x 36' 14" Scale

Summary: GetGasFL Advertising Campaign Continued

Radio

- **Based on basic concept of the billboards**
- **Two weeks on, two weeks off during course of the year**
- **Target market 35-64**
- **Adult listening, Country, and talk radio**
- **Meet requirements of ECP recovery rule**
- **Direct listeners to website for additional information**

Television

- **Based on radio and billboards**
- **Utilize main cable systems**
- **Two weeks per month**
- **Target market 35-64**
- **Meet requirements of ECP recovery rule**
- **Direct viewers to website for additional information**

Website

- **www.GetGasFL.com**
- **Energy conservation benefits of gas**
- **Availability of conservation programs**
- **Contact information and links to company website**
- **Tracking**