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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
PREPARED DIRECT TESTIMONY
OF
KANDI M. FLOYD

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

A. My name is Kandi M. Floyd. My business address is Peoples Gas System, 702 North Franklin Street, P.O. Box 2562, Tampa, Florida 33601-2562. I am employed by Peoples Gas System ("Peoples" or "Company") and am the Energy Conservation / Regulatory Administrator.

Q. Please describe your educational and employment background.

A. I have a Bachelor of Arts Degree in Business Administration from Saint Leo College. From 1995 to 1997, I was employed in a series of positions within the regulatory affairs department of Tampa Electric Company. In 1998, I joined Peoples Gas System as a Regulatory Coordinator in the Regulatory and Gas Supply Department. In 2001, I became the Energy Conservation / Regulatory Administrator for Peoples Gas System. In this role, I am primarily responsible for coordinating and overseeing all Energy Conservation Cost Recovery ("ECCR") Clause activities along with various Regulatory activities for Peoples.

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

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A. My testimony addresses Peoples' conservation programs, the expenses that Peoples has incurred, the revenues recovered by Peoples through the ECCR clause from January 2002 through September 2002, and the costs that Peoples seeks to recover through the ECCR clause in 2003. My testimony supports the conservation programs of both Peoples Gas System, Inc. and the former West Florida Natural Gas Company. I will hereinafter refer to the former West Florida Natural Gas Company territory as Peoples' "West Florida Region."

First, my testimony describes generally the actual and projected expenditures made for the purpose of implementing, promoting and operating Peoples' energy conservation programs for the current period. This information includes the adjusted net true-up amounts associated with those programs for the period January 2001 through December 2001. Next, my testimony addresses the actual costs incurred in January 2002 through September 2002, and revised projections of program costs that Peoples expects to incur from October 2002 through December 2002. In addition, my testimony presents projected conservation program costs for the period January 2003 through December 2003.

Finally, my testimony presents the calculation of the conservation cost recovery adjustment factors to be applied to customers' bills during the period beginning with the first billing cycle for January 2003 and continuing through the last billing cycle for December 2003.

Q. Are you sponsoring any exhibits with your testimony?

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A. Yes. I am sponsoring four exhibits produced under my direction and supervision. Exhibit ____ (KMF-1R) contains the conservation cost recovery true-up data for the period January 2001 through December 2001 for Peoples' non-West Florida Region, and Exhibit ____ (KMF-2R) contains similar information for the same period for the West Florida Region. Exhibit ____ (KMF-3) contains the conservation cost recovery true-up data for the period January 2002 through September 2002 as well as reprojected expenses for the period October 2002 through December 2002 for Peoples' non-West Florida Region, and Exhibit ____ (KMF-4) contains similar information for the West Florida Region. In addition, Exhibit ____ (KMF-3) consists of Schedules C-1 through C-5, which contain information related to the calculation of the ECCR factors to be applied to customers' bills during the period January 2003 through December 2003 in Peoples' non-West Florida Region. Exhibit ____ (KMF-4) contains the same schedules and similar information for Peoples' West Florida Region.

Q. Have you prepared schedules showing the expenditures associated with Peoples' energy conservation programs for the period January 2001 through December 2001?

A. Yes. Actual expenses for the period January 2001 through December 2001 for Peoples' non-West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-1R). Actual expenses for that period for the West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-2R). In each of these exhibits, Schedule CT-2, page 1 presents a comparison of the actual program costs and true-up amount to the projected costs and true-up amount for the same period.

1 Q. What are the Company's true-up amounts for the period January 2001 through
2 December 2001?

3
4 A. With respect to Peoples' non-West Florida Region, as shown on Schedule CT-1 of
5 Exhibit ____ (KMF-1R), the end-of-period net true-up for the period is an
6 overrecovery of \$352,527 including both principal and interest. The projected true-up
7 for the period, as approved by Commission Order No. PSC-01-2388-FOF-EG, was an
8 underrecovery of \$52,112 (including interest). Subtracting the projected true-up
9 overrecovery from the actual underrecovery yields the adjusted net true-up of
10 \$404,639 overrecovery (including interest).

11
12 With respect to Peoples' West Florida Region, as shown on Schedule CT-1 of Exhibit
13 ____ (KMF-2R), the end-of-period net true-up for the period is an underrecovery of
14 \$1,138,610 including both principal and interest. The projected true-up for the period,
15 as approved by Commission Order No. PSC-01-2388-FOF-EG, was an underrecovery
16 of \$943,958 (including interest). Subtracting the projected true-up underrecovery
17 from the actual underrecovery yields the adjusted net true-up of \$194,652
18 underrecovery (including interest).

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

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

1
2 Q. Have you prepared schedules required for the calculation of Peoples' proposed
3 conservation adjustment factors to be applied during the billing periods from January
4 2003 through and including December 2003?

5
6 A. Yes. Schedule C-3 of Exhibit ____ (KMF-3) (for the non-West Florida Region) and
7 Exhibit ____ (KMF-4) (for the West Florida Region) show actual expenses for the
8 period January 2002 through September 2002 and projected expenses for the period
9 October 2002 through December 2002.

10
11 Projected expenses for the January 2003 through December 2003 period are shown on
12 Schedule C-2 of Exhibits ____ (KMF-3) and ____ (KMF-4). The total annual cost
13 projected represents a continuation of Peoples' active expansion of the availability of
14 natural gas throughout the state of Florida. Schedule C-1 of both exhibits shows the
15 calculation of the conservation adjustment factors. The estimated true-up amount
16 from Schedule C-3 (Page 4) of Exhibit ____ (KMF-3) being an underrecovery, and
17 Exhibit ____ (KMF-4) being an underrecovery, were incorporated into the totals of the
18 projected costs for the January 2003 through December 2003 period. The resulting
19 totals of \$9,070,192 (for the non-West Florida Region) and \$2,682,739 (for the West
20 Florida Region) are the total expenses to be recovered during calendar year 2003.
21 These total expenses were then allocated to the Company's affected rate classes
22 pursuant to the methodology approved by the Commission, divided by the expected
23 consumption of each rate class, and then adjusted for the regulatory assessment fee.

24
25 Schedule C-1 of Exhibit ____ (KMF-3) shows the resulting estimated ECCR revenues

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and adjustment factors by rate class for Peoples' non-West Florida Region for the period January 2003 through December 2003. Schedule C-1 of Exhibit ____ (KMF-4) shows the resulting estimated ECCR revenues and adjustment factors by rate class for Peoples' West Florida Region for the same period.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

INDEX

| <u>EXHIBIT</u> | <u>DESCRIPTION</u> | <u>PAGE</u> |
|----------------|--|-------------|
| KMF-1R | CT Schedules Except West Florida Region | 8 |
| KMF-2R | CT Schedules West Florida Region | 25 |
| KMF-3 | C Schedules Except West Florida Region | 40 |
| KMF-4 | C Schedules West Florida Region | 56 |

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-1R

ADJUSTED NET TRUE-UP
JANUARY 2001 THROUGH DECEMBER 2001

END OF PERIOD NET TRUE-UP

| | | |
|-----------|----------------|-----------------|
| PRINCIPAL | -305,462 | |
| INTEREST | <u>-47,065</u> | <u>-352,527</u> |

LESS PROJECTED TRUE-UP

| | | |
|-----------|----------------|---------------|
| PRINCIPAL | 97,552 | |
| INTEREST | <u>-45,440</u> | <u>52,112</u> |

| | | |
|----------------------|--|-----------------|
| ADJUSTED NET TRUE-UP | | <u>-404,639</u> |
|----------------------|--|-----------------|

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2001 THROUGH DECEMBER 2001

| | <u>ACTUAL</u> | <u>PROJECTED*</u> | <u>DIFFERENCE</u> |
|---|-----------------|-------------------|-------------------|
| CAPITAL INVESTMENT | 0 | 0 | 0 |
| PAYROLL & BENEFITS | 363,355 | 477,579 | -114,224 |
| MATERIALS & SUPPLIES | 2,936 | 7,921 | -4,985 |
| ADVERTISING | 718,662 | 827,117 | -108,455 |
| INCENTIVES | 7,310,196 | 7,194,695 | 115,501 |
| OUTSIDE SERVICES | 12,791 | 36,983 | -24,192 |
| VEHICLES | 413 | 414 | -1 |
| OTHER | <u>7,858</u> | <u>40,848</u> | <u>-32,990</u> |
| SUB-TOTAL | 8,416,211 | 8,585,558 | -169,347 |
| PROGRAM REVENUES | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL PROGRAM COSTS | 8,416,211 | 8,585,558 | -169,347 |
| LESS: | | | |
| PAYROLL ADJUSTMENTS | 0 | 0 | 0 |
| AMOUNTS INCLUDED IN RATE BASE | 0 | 0 | 0 |
| CONSERVATION REVENUES APPLICABLE TO THE PERIOD | -8,721,674 | -8,488,006 | -233,668 |
| ROUNDING ADJUSTMENT | <u>0</u> | <u>0</u> | <u>0</u> |
| TRUE-UP BEFORE INTEREST | -305,462 | 97,552 | -403,014 |
| INTEREST PROVISION | <u>-47,065</u> | <u>-45,440</u> | <u>-1,625</u> |
| END OF PERIOD TRUE-UP | <u>-352,527</u> | <u>52,112</u> | <u>-404,639</u> |

() REFLECTS OVER-RECOVERY

* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2001 THROUGH DECEMBER 2001

| PROGRAM NAME | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTIS. | INCENTIV. | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|--------------------------------------|--------------------|----------------------|----------------|------------------|------------------|------------|--------------|------------------|
| PROGRAM 1: RESIDENTIAL HM BUILDER | 0 | 0 | 0 | 6,470,120 | 0 | 0 | 0 | 6,470,120 |
| PROGRAM 2: ENERGY AUDITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 3: WATER HEATER LOAD RET | 0 | 0 | 0 | 237,200 | 0 | 0 | 0 | 237,200 |
| PROGRAM 4: OIL HEATER REPLACEMENT | 0 | 0 | 0 | 5,940 | 0 | 0 | 0 | 5,940 |
| PROGRAM 5: SM PKG COGENERATION | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| PROGRAM 6: COMM ELECTRIC REPLACEMENT | 0 | 0 | 0 | 167,111 | 0 | 0 | 0 | 167,111 |
| PROGRAM 7: RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | 369,825 | 0 | 0 | 0 | 369,825 |
| PROGRAM 8: COMMON COSTS | 363,355 | 2,936 | 718,662 | 0 | 12,791 | 413 | 7,858 | 1,106,015 |
| PROGRAM 9: GAS SPACE COND. | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 | 30,000 |
| PROGRAM 10: MONITORING & RESEARCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 363,355 | 2,936 | 718,662 | 7,310,196 | 12,791 | 413 | 7,858 | 8,416,211 |

COMPANY: PEOPLES GAS SYSTEM
 Except West Florida Region
 Exhibit No. _____
 Docket No. 020004-GU
 KMF-1R

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 JANUARY 2001 THROUGH DECEMBER 2001

| PROGRAM NAME | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTIS. | INCENTIV. | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|--------------------------------------|--------------------|----------------------|-----------------|----------------|------------------|-----------|----------------|-----------------|
| PROGRAM 1: RESIDENTIAL HM BUILDER | 0 | 0 | 0 | 324,322 | 0 | 0 | 0 | 324,322 |
| PROGRAM 2: ENERGY AUDITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 3: WATER HEATER LOAD RET | 0 | 0 | 0 | -4,232 | 0 | 0 | 0 | -4,232 |
| PROGRAM 4: OIL HEATER REPLACEMENT | 0 | 0 | 0 | -6,682 | 0 | 0 | 0 | -6,682 |
| PROGRAM 5: SM PKG COGENERATION | 0 | 0 | 0 | -6,620 | 0 | 0 | 0 | -6,620 |
| PROGRAM 6: COMM ELECTRIC REPLACEMENT | 0 | 0 | 0 | 52,179 | 0 | 0 | 0 | 52,179 |
| PROGRAM 7: RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | -243,466 | 0 | 0 | 0 | -243,466 |
| PROGRAM 8: COMMON COSTS | -114,224 | -4,985 | -108,455 | 0 | -24,192 | -1 | -32,990 | -284,848 |
| PROGRAM 9: GAS SPACE COND. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 10: MONITORING & RESEARCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | -114,224 | -4,985 | -108,455 | 115,501 | -24,192 | -1 | -32,990 | -169,347 |

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

11

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2001 THROUGH DECEMBER 2001

| EXPENSES | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEPT 2001 | OCT 2001 | NOV 2001 | DEC 2001 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-----------|
| PROGRAM 1: | 503,745 | 391,055 | 479,405 | 495,125 | 529,650 | 478,814 | 591,325 | 634,162 | 628,677 | 502,136 | 489,410 | 746,615 | 6,470,119 |
| PROGRAM 2: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 3: | 17,800 | 16,200 | 18,600 | 16,800 | 50,500 | 16,700 | 17,400 | 14,100 | 16,900 | 15,500 | 15,300 | 21,400 | 237,200 |
| PROGRAM 4: | 1,650 | 330 | 1,320 | 330 | 660 | 0 | 0 | 0 | 0 | 330 | 660 | 660 | 5,940 |
| PROGRAM 5: | 20,000 | 5,000 | 0 | 0 | 0 | 0 | 0 | 1,620 | 0 | 3,380 | 0 | 0 | 30,000 |
| PROGRAM 6: | 12,280 | 14,100 | 18,760 | 7,920 | 7,400 | 14,560 | 900 | 5,680 | 12,000 | 5,060 | 14,420 | 54,031 | 167,111 |
| PROGRAM 7: | 28,235 | 28,953 | 39,930 | 39,720 | 19,898 | 43,228 | 23,195 | 21,133 | 30,740 | 29,578 | 30,255 | 34,963 | 369,828 |
| PROGRAM 8: | 67,138 | 112,439 | 71,921 | 91,429 | 96,985 | 93,075 | 87,099 | 77,194 | 80,465 | 97,191 | 141,101 | 89,977 | 1,106,014 |
| PROGRAM 9: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 | 0 | 15,000 | 0 | 30,000 |
| PROGRAM 10: | 0 | -80,000 | 0 | 80,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 650,848 | 488,077 | 629,936 | 731,324 | 705,093 | 646,377 | 719,919 | 753,889 | 783,782 | 653,175 | 706,146 | 947,646 | 8,416,212 |
| LESS AMOUNT INCLUDED IN RATE BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RECOVERABLE CONSERVATION EXPENSES | 650,848 | 488,077 | 629,936 | 731,324 | 705,093 | 646,377 | 719,919 | 753,889 | 783,782 | 653,175 | 706,146 | 947,646 | 8,416,212 |

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2001 THROUGH DECEMBER 2001

| CONSERVATION REVENUES | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEP 2001 | OCT 2001 | NOV 2001 | DEC 2001 | 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 | -1,163,511 | -1,058,198 | -764,726 | -709,635 | -635,383 | -554,528 | -524,874 | -526,684 | -515,567 | -533,129 | -617,659 | -674,049 | -8,277,943 |
| 4 TOTAL REVENUES | -1,163,511 | -1,058,198 | -764,726 | -709,635 | -635,383 | -554,528 | -524,874 | -526,684 | -515,567 | -533,129 | -617,659 | -674,049 | -8,277,943 |
| 5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS 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 |
| 6 CONSERVATION REVS APPLICABLE TO THE PERIOD | -1,200,489 | -1,095,176 | -801,704 | -746,613 | -672,361 | -591,506 | -561,852 | -563,662 | -552,545 | -570,107 | -654,637 | -711,027 | -8,721,674 |
| 7 CONSERVATION EXPS (FROM CT-3, PAGE 1) | 650,848 | 488,077 | 629,936 | 731,324 | 705,093 | 646,377 | 719,919 | 753,889 | 783,782 | 653,175 | 706,146 | 947,646 | 8,416,212 |
| 8 TRUE-UP THIS PERIOD | -549,641 | -607,099 | -171,768 | -15,289 | 32,732 | 54,871 | 158,067 | 190,227 | 231,237 | 83,068 | 51,509 | 236,619 | -305,462 |
| 9 INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3) | -3,515 | -5,550 | -6,779 | -6,506 | -5,634 | -5,005 | -4,447 | -3,631 | -2,463 | -1,571 | -1,186 | -778 | -47,065 |
| 10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH | -443,731 | -959,909 | -1,535,580 | -1,677,150 | -1,661,966 | -1,597,890 | -1,511,046 | -1,320,448 | -1,096,873 | -831,122 | -712,647 | -625,346 | |
| 11 PRIOR TRUE-UP COLLECTED/(REFUNDED) | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | 36,978 | |
| 12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11) | -959,909 | -1,535,580 | -1,677,150 | -1,661,966 | -1,597,890 | -1,511,046 | -1,320,448 | -1,096,873 | -831,122 | -712,647 | -625,346 | -352,527 | -352,527 |

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2001 THROUGH DECEMBER 2001

| | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEPT 2001 | OCT 2001 | NOV 2001 | DEC 2001 | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|---------|
| INTEREST PROVISION | | | | | | | | | | | | | |
| 1 BEGINNING TRUE-UP | -443,731 | -959,909 | -1,535,580 | -1,677,150 | -1,661,966 | -1,597,890 | -1,511,046 | -1,320,448 | -1,096,873 | -831,122 | -712,647 | -625,346 | |
| 2 ENDING TRUE-UP BEFORE INTEREST | -956,394 | -1,530,030 | -1,670,370 | -1,655,461 | -1,592,256 | -1,506,041 | -1,316,001 | -1,093,243 | -828,658 | -711,076 | -624,160 | -351,749 | |
| 3 TOTAL BEGINNING & ENDING TRUE-UP | -1,400,125 | -2,489,939 | -3,205,951 | -3,332,610 | -3,254,222 | -3,103,931 | -2,827,047 | -2,413,691 | -1,925,532 | -1,542,197 | -1,336,806 | -977,095 | |
| 4 AVERAGE TRUE-UP (LINE 3 TIMES 50%) | -700,062 | -1,244,969 | -1,602,975 | -1,666,305 | -1,627,111 | -1,551,966 | -1,413,524 | -1,206,845 | -962,766 | -771,099 | -668,403 | -488,548 | |
| 5 INTER. RATE - 1ST DAY OF REPORTING MONTH | 6.50% | 5.55% | 5.15% | 5.00% | 4.37% | 3.94% | 3.80% | 3.75% | 3.47% | 2.67% | 2.22% | 2.04% | |
| 6 INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH | 5.55% | 5.15% | 5.00% | 4.37% | 3.94% | 3.80% | 3.75% | 3.47% | 2.67% | 2.22% | 2.04% | 1.78% | |
| 7 TOTAL (SUM LINES 5 & 6) | 12.05% | 10.70% | 10.15% | 9.37% | 8.31% | 7.74% | 7.55% | 7.22% | 6.14% | 4.89% | 4.26% | 3.82% | |
| 8 AVG INTEREST RATE (LINE 7 TIMES 50%) | 6.03% | 5.35% | 5.08% | 4.69% | 4.16% | 3.87% | 3.78% | 3.61% | 3.07% | 2.45% | 2.13% | 1.91% | |
| 9 MONTHLY AVG INTEREST RATE | 0.50% | 0.45% | 0.42% | 0.39% | 0.35% | 0.32% | 0.32% | 0.30% | 0.26% | 0.20% | 0.18% | 0.16% | |
| 10 INTEREST PROVISION (LINE 4 TIMES LINE 9) | -3,515 | -5,550 | -6,779 | -6,506 | -5,634 | -5,005 | -4,447 | -3,831 | -2,463 | -1,571 | -1,186 | -778 | -47,065 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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: | 9,603 |
| New Homes Connected: | <u>10,110</u> |
| Variance: | -507 |
| Percent of Goal: | 105.3% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|-------------|
| Projected Cost: | \$6,145,798 |
| Actual Cost: | \$6,470,120 |
| Variance: | -\$324,322 |

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Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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 |

16

Program Progress Report

Reporting Period: 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

Program Summary

| | |
|------------------|--------------|
| Goals: | 2,414 |
| Actual: | <u>2,372</u> |
| Variance: | 42 |
| Percent of Goal: | 98.3% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|-----------|
| Projected Cost: | \$241,432 |
| Actual Cost: | \$237,200 |
| Variance: | \$4,232 |

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Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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..... 5330

Program Summary

| | |
|------------------|-----------|
| Goals: | 38 |
| Actual: | <u>18</u> |
| Variance: | 20 |
| Percent of Goal: | 47.1% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|----------|
| Projected Cost: | \$12,622 |
| Actual Cost: | \$5,940 |
| Variance: | \$6,682 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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: | 2 |
| Actual: | <u>3</u> |
| Variance: | -1 |
| Percent of Goal: | 150.0% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|----------|
| Projected Cost: | \$36,620 |
| Actual Cost: | \$30,000 |
| Variance: | \$6,620 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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 KW \$4,000

Program Summary

| | | |
|------------------|-------------------------------------|--------|
| Program Goal: | Projected KWD displaced this period | 2,873 |
| | Actual KWD displaced this period | 4,178 |
| Variance: | | -1,305 |
| Percent of Goal: | | 145.4% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|-----------|
| Projected Cost: | \$114,932 |
| Actual Cost: | \$167,111 |
| Variance: | -\$52,179 |

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Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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 H | \$440 |
| | Natural Gas Furnace | \$440 |
| | Natural Gas Range | \$75 |
| | Natural Gas Dryer | \$75 |
| | Natural Gas Space H | \$65 |

Program Summary

| | |
|--------------------------|------------|
| Program Goal: | 1,068 |
| Program Accomplishments: | <u>644</u> |
| Variance: | -424 |
| Percent of Goal: | 60.3% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|-----------|
| Projected Cost: | \$613,291 |
| Actual Cost: | \$369,825 |
| Variance: | \$243,466 |

COMPANY PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No _____
Docket No 020004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs Projected

| | |
|-----------------|-------------|
| Projected Cost: | \$1,390,863 |
| Actual Cost: | \$1,106,015 |
| Variance: | \$284,848 |

Program Progress Report

Reporting Period: 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 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/installati \$150 /ton

Program Summary

| | |
|------------------|-----------------|
| Goals: | 200 |
| Actual: | <u>200</u> tons |
| Variance: | 0 |
| Percent of Goal: | 100.0% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|----------|
| Projected Cost: | \$30,000 |
| Actual Cost: | \$30,000 |
| Variance: | \$0 |

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COMPANY PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No _____
Docket No 020004-GU
KMF-1R

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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 | 50 |
| Actual Cost: | 50 |
| Variance: | 50 |

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM

West Florida Region

Exhibit No. _____

Docket No. 020004-GU

KMF-2R

ADJUSTED NET TRUE-UP
JANUARY 2001 THROUGH DECEMBER 2001

END OF PERIOD NET TRUE-UP

| | | |
|-----------|---------------|-----------|
| PRINCIPAL | 1,112,736 | |
| INTEREST | <u>25,874</u> | 1,138,610 |

LESS PROJECTED TRUE-UP

| | | |
|-----------|---------------|----------------|
| PRINCIPAL | 917,884 | |
| INTEREST | <u>26,074</u> | <u>943,958</u> |

| | | |
|----------------------|--|----------------|
| ADJUSTED NET TRUE-UP | | <u>194,652</u> |
|----------------------|--|----------------|

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2001 THROUGH DECEMBER 2001

| | <u>ACTUAL</u> | <u>PROJECTED*</u> | <u>DIFFERENCE</u> |
|---|------------------|-------------------|-------------------|
| CAPITAL INVESTMENT | 0 | 0 | 0 |
| PAYROLL & BENEFITS | 57,106 | 55,234 | 1,872 |
| MATERIALS & SUPPLIES | 137 | 67 | 70 |
| ADVERTISING | 113,213 | 121,350 | -8,137 |
| INCENTIVES | 1,850,640 | 1,552,350 | 298,290 |
| OUTSIDE SERVICES | -23 | 41,644 | -41,667 |
| VEHICLES | 0 | 0 | 0 |
| OTHER | 421 | 6,879 | -6,458 |
| SUB-TOTAL | <u>2,021,494</u> | <u>1,777,524</u> | <u>243,970</u> |
| PROGRAM REVENUES | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL PROGRAM COSTS | 2,021,494 | 1,777,524 | 243,970 |
| LESS: | | | |
| PAYROLL ADJUSTMENTS | 0 | 0 | 0 |
| AMOUNTS INCLUDED IN RATE BASE | 0 | 0 | 0 |
| CONSERVATION REVENUES APPLICABLE TO THE PERIOD | -908,758 | -859,640 | -49,118 |
| ROUNDING ADJUSTMENT | <u>0</u> | <u>0</u> | <u>0</u> |
| TRUE-UP BEFORE INTEREST | 1,112,736 | 917,884 | 194,852 |
| INTEREST PROVISION | <u>25,874</u> | <u>26,074</u> | <u>-200</u> |
| END OF PERIOD TRUE-UP | <u>1,138,610</u> | <u>943,958</u> | <u>194,652</u> |

() REFLECTS OVER-RECOVERY

* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2001 THROUGH DECEMBER 2001

| PROGRAM NAME | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTIS. | INCENTIV. | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|--------------------------------------|--------------------|----------------------|----------------|------------------|------------------|----------|------------|------------------|
| PROGRAM 1: RESIDENTIAL HM BUILDER | 0 | 0 | 0 | 1,720,050 | 0 | 0 | 0 | 1,720,050 |
| PROGRAM 2: ENERGY SAVINGS PAYBACK | 0 | 0 | 0 | 16,520 | 0 | 0 | 0 | 16,520 |
| PROGRAM 3: WATER HEATER LOAD RET | 0 | 0 | 0 | 46,900 | 0 | 0 | 0 | 46,900 |
| PROGRAM 4: COMM ELECTRIC REPLACEMENT | 0 | 0 | 0 | 21,420 | 0 | 0 | 0 | 21,420 |
| PROGRAM 5: RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | 45,150 | 0 | 0 | 0 | 45,150 |
| PROGRAM 6: COMMON COSTS | 57,106 | 137 | 113,213 | 0 | -23 | 0 | 421 | 170,854 |
| PROGRAM 7: GAS SPACE COND | 0 | 0 | 0 | 600 | 0 | 0 | 0 | 600 |
| PROGRAM 8: MONITORING & RESEARCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 9: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 10: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 57,106 | 137 | 113,213 | 1,850,640 | -23 | 0 | 421 | 2,021,494 |

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CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2001 THROUGH DECEMBER 2002

| PROGRAM NAME | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTIS. | INCENTIV. | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|--------------------------------------|--------------------|----------------------|---------------|----------------|------------------|----------|---------------|----------------|
| PROGRAM 1: RESIDENTIAL HM BUILDER | 0 | 0 | 0 | 327,868 | 0 | 0 | 0 | 327,868 |
| PROGRAM 2: ENERGY SAVINGS PAYBACL | 0 | 0 | 0 | -3,818 | 0 | 0 | 0 | -3,818 |
| PROGRAM 3: WATER HEATER LOAD RET | 0 | 0 | 0 | -4,550 | 0 | 0 | 0 | -4,550 |
| PROGRAM 4: COMM ELECTRIC REPLACEMENT | 0 | 0 | 0 | -1,792 | 0 | 0 | 0 | -1,792 |
| PROGRAM 5: RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | -14,418 | 0 | 0 | 0 | -14,418 |
| PROGRAM 6: COMMON COSTS | 1,872 | 70 | -8,137 | 0 | -41,667 | 0 | -6,458 | -54,320 |
| PROGRAM 7: GAS SPACE COND | 0 | 0 | 0 | -5,000 | 0 | 0 | 0 | -5,000 |
| PROGRAM 8: MONITORING & RESEARCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 9: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 10: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: (TYPE NAME HERE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1,872 | 70 | -8,137 | 298,290 | -41,667 | 0 | -6,458 | 243,970 |

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

**ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2001 THROUGH DECEMBER 2001**

| EXPENSES: | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEPT 2001 | OCT 2001 | NOV 2001 | DEC 2001 | TOTAL |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| PROGRAM 1: | 115,750 | 71,450 | 213,100 | 72,100 | 129,600 | 170,300 | 82,600 | 186,150 | 218,950 | 128,650 | 175,150 | 156,250 | 1,720,050 |
| PROGRAM 2: | 1,950 | 2,600 | 1,500 | 650 | 1,600 | 750 | 1,250 | 2,370 | 600 | 300 | 2,000 | 950 | 16,520 |
| PROGRAM 3: | 2,600 | 6,600 | 4,400 | 3,700 | 7,200 | 3,300 | 3,450 | 5,200 | 2,700 | 2,400 | 3,450 | 1,900 | 46,900 |
| PROGRAM 4: | 0 | 2,160 | 12,000 | 0 | 0 | 0 | 0 | 720 | 0 | 0 | 4,920 | 1,620 | 21,420 |
| PROGRAM 5: | 4,750 | 5,400 | 3,800 | 2,400 | 5,150 | 5,000 | 2,900 | 3,500 | 2,950 | 2,550 | 3,700 | 3,050 | 45,150 |
| PROGRAM 6: | 14,870 | 17,626 | 10,180 | 22,410 | 21,300 | 14,174 | 11,399 | 13,631 | 10,144 | 13,539 | 13,751 | 7,830 | 170,854 |
| PROGRAM 7: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 600 | 0 | 0 | 0 | 0 | 600 |
| PROGRAM 8: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 9: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 10: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 11: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 12: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 13: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 14: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 15: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 16: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 17: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 18: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 19: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM 20: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 139,920 | 105,836 | 244,980 | 101,260 | 164,850 | 193,524 | 101,599 | 212,171 | 235,344 | 147,439 | 202,971 | 171,600 | 2,021,494 |
| LESS AMOUNT INCLUDED IN RATE BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RECOVERABLE CONSERVATION EXPENSES | 139,920 | 105,836 | 244,980 | 101,260 | 164,850 | 193,524 | 101,599 | 212,171 | 235,344 | 147,439 | 202,971 | 171,600 | 2,021,494 |

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2001 THROUGH DECEMBER 2001

| CONSERVATION REVENUES | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEP 2001 | OCT 2001 | NOV 2001 | DEC 2001 | 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 | -304,131 | -234,518 | -161,065 | -154,270 | -110,081 | -109,893 | -84,480 | -91,941 | -85,982 | -99,083 | -109,228 | -122,652 | -1,667,324 |
| 4. TOTAL REVENUES | -304,131 | -234,518 | -161,065 | -154,270 | -110,081 | -109,893 | -84,480 | -91,941 | -85,982 | -99,083 | -109,228 | -122,652 | -1,667,324 |
| 5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS 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 |
| 6. CONSERVATION REVS APPLICABLE TO THE PERIOD | -240,917 | -171,304 | -97,851 | -91,056 | -46,867 | -46,679 | -21,266 | -28,727 | -22,768 | -35,869 | -46,014 | -59,438 | -908,758 |
| 7. CONSERVATION EXPS (FROM CT-3, PAGE 1) | 139,920 | 105,836 | 244,980 | 101,260 | 164,850 | 193,524 | 101,599 | 212,171 | 235,344 | 147,439 | 202,971 | 171,600 | 2,021,494 |
| 8. TRUE-UP THIS PERIOD | -100,997 | -65,468 | 147,129 | 10,204 | 117,983 | 146,845 | 80,333 | 183,444 | 212,576 | 111,570 | 156,957 | 112,162 | 1,112,736 |
| 9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3) | 3,396 | 2,378 | 2,171 | 2,073 | 1,849 | 1,951 | 2,068 | 2,190 | 2,213 | 1,969 | 1,845 | 1,771 | 25,874 |
| 10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH | 758,566 | 597,751 | 471,448 | 557,534 | 506,597 | 563,215 | 648,797 | 667,984 | 790,404 | 941,980 | 992,304 | 1,087,892 | |
| 11. PRIOR TRUE-UP COLLECTED/(REFUNDED) | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | -63,214 | |
| 12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11) | 597,751 | 471,448 | 557,534 | 506,597 | 563,215 | 648,797 | 667,984 | 790,404 | 941,980 | 992,304 | 1,087,892 | 1,138,610 | 1,138,610 |

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2001 THROUGH DECEMBER 2001

| | JAN 2001 | FEB 2001 | MAR 2001 | APR 2001 | MAY 2001 | JUN 2001 | JUL 2001 | AUG 2001 | SEPT 2001 | OCT 2001 | NOV 2001 | DEC 2001 | TOTAL |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------|
| INTEREST PROVISION | | | | | | | | | | | | | |
| 1. BEGINNING TRUE-UP | 758,566 | 597,751 | 471,448 | 557,534 | 506,597 | 563,215 | 648,797 | 667,984 | 790,404 | 941,980 | 992,304 | 1,087,892 | |
| 2. ENDING TRUE-UP BEFORE INTEREST | 594,355 | 469,069 | 555,363 | 504,524 | 561,366 | 646,846 | 665,916 | 788,214 | 939,766 | 990,336 | 1,086,047 | 1,136,840 | |
| 3. TOTAL BEGINNING & ENDING TRUE-UP | 1,352,921 | 1,066,821 | 1,026,810 | 1,062,058 | 1,067,963 | 1,210,061 | 1,314,713 | 1,456,198 | 1,730,171 | 1,932,315 | 2,078,351 | 2,224,731 | |
| 4. AVERAGE TRUE-UP (LINE 3 TIMES 50%) | 676,460 | 533,410 | 513,405 | 531,029 | 533,982 | 605,030 | 657,357 | 728,099 | 865,085 | 966,158 | 1,039,176 | 1,112,366 | |
| 5. INTER. RATE - 1ST DAY OF REPORTING MONTH | 6.500% | 5.550% | 5.150% | 5.000% | 4.370% | 3.940% | 3.800% | 3.750% | 3.470% | 2.670% | 2.220% | 2.040% | |
| 6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH | 5.550% | 5.150% | 5.000% | 4.370% | 3.940% | 3.800% | 3.750% | 3.470% | 2.670% | 2.220% | 2.040% | 1.780% | |
| 7. TOTAL (SUM LINES 5 & 6) | 12.050% | 10.700% | 10.150% | 9.370% | 8.310% | 7.740% | 7.550% | 7.220% | 6.140% | 4.890% | 4.260% | 3.820% | |
| 8. AVG INTEREST RATE (LINE 7 TIMES 50%) | 6.025% | 5.350% | 5.075% | 4.685% | 4.155% | 3.870% | 3.775% | 3.610% | 3.070% | 2.445% | 2.130% | 1.910% | |
| 9. MONTHLY AVG INTEREST RATE | 0.502% | 0.446% | 0.423% | 0.390% | 0.346% | 0.323% | 0.315% | 0.301% | 0.256% | 0.204% | 0.178% | 0.159% | |
| 10. INTEREST PROVISION (LINE 4 TIMES LINE 9) | 3,396 | 2,378 | 2,171 | 2,073 | 1,849 | 1,951 | 2,068 | 2,190 | 2,213 | 1,969 | 1,845 | 1,771 | 25,874 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

Name: Residential Home Builder Program

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

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

Program Summary

| | |
|----------------------|--------------|
| New Home Goal: | 2,320 |
| New Homes Connected: | <u>2,867</u> |
| Variance: | -546 |
| Percent of Goal: | 123.6% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|-------------|
| Projected Cost: | \$1,392,182 |
| Actual Cost: | \$1,720,050 |
| Variance: | -\$327,868 |

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Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

Name: ENERGY SAVINGS PAYBACK PROGRAM

Description. 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: | \$20,338 |
| Actual Cost: | \$16,520 |
| Variance: | \$3,818 |

Program Progress Report

Reporting Period: 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

Program Summary

| | |
|------------------|------------|
| Goals: | 515 |
| Actual | <u>469</u> |
| Variance: | 46 |
| Percent of Goal: | 91.2% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|----------|
| Projected Cost: | \$51,450 |
| Actual Cost: | \$46,900 |
| Variance: | \$4,550 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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) 530

Program Summary

| | |
|------------------|------------|
| Goals: | 774 |
| Actual: | <u>714</u> |
| Variance: | 60 |
| Percent of Goal: | 92.3% |

Conservation Cost Variance - Actual Vs Projected

| | |
|-----------------|----------|
| Projected Cost: | \$23,212 |
| Actual Cost: | \$21,420 |
| Variance: | \$1,792 |

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Program Progress Report

Reporting Period JANUARY 2001 THROUGH DECEMBER 2001

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

| | | |
|--------------|-------|-------|
| Water Heater | | \$250 |
| Furnace | | \$500 |
| Range | | \$150 |
| Dryer | | \$150 |
| Space Heater | | \$150 |

Program Summary

| | |
|------------------|-----------|
| Goals: | 50 |
| Actual: | <u>38</u> |
| Variance: | 12 |
| Percent of Goal: | 75.8% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|----------|
| Projected Cost: | \$59,568 |
| Actual Cost: | \$45,150 |
| Variance: | \$14,418 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs Projected

| | |
|-----------------|-----------|
| Projected Cost: | \$225,174 |
| Actual Cost: | \$170,854 |
| Variance: | \$54,320 |

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

Name: Gas Space Conditioning Program

Description: 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/installati \$150 /ton

Program Summary

| | |
|--------------------------|----------|
| Program Goal: | 37 |
| Program Accomplishments: | <u>4</u> |
| Variance: | 33 |
| Percent of Goal: | 10.7% |

Conservation Cost Variance - Actual Vs. Projected

| | |
|-----------------|---------|
| Projected Cost: | \$5,600 |
| Actual Cost: | \$600 |
| Variance: | \$5,000 |

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COMPANY PEOPLES GAS SYSTEM
West Florida Region
Exhibit No _____
Docket No 020004-GU
KMF-2R

Program Progress Report

Reporting Period: JANUARY 2001 THROUGH DECEMBER 2001

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: | \$0 |
| Variance: | \$0 |

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 020004-GU
 KMF-3

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2003 Through December 2003

| | |
|---|-----------|
| 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) | 8,528,131 |
| 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) | 542,061 |
| 3. TOTAL (LINE 1 AND LINE 2) | 9,070,192 |

| 40 RATE SCHEDULE | BILLS | THERMS | CUSTOMER CHARGE | NON-GAS ENERGY CHARGE | TOTAL | ECCR | ECCR AS % OF TOTAL REVENUES | DOLLARS THERM | TAX FACTOR | CONSERV FACTOR |
|------------------------|-----------|-------------|--------------------|-----------------------------|--------------------------------|-----------|-----------------------------------|------------------|---------------|-------------------|
| | | | | | CUST. & ENGY CHG REVENUE | | | | | |
| RESIDENTIAL | 2,732,398 | 54,704,826 | 19,126,786 | 22,492,983 | 41,619,769 | 3,244,180 | 7.79481% | 0.05930 | 1.00503 | 0.05960 |
| SMALL COMMERCIAL | 55,328 | 2,597,197 | 829,920 | 876,242 | 1,706,162 | 132,992 | 7.79481% | 0.05121 | 1.00503 | 0.05146 |
| COMMERCIAL | 228,481 | 125,701,281 | 3,884,177 | 30,638,430 | 34,522,607 | 2,690,970 | 7.79481% | 0.02141 | 1.00503 | 0.02152 |
| COMM. LGE VOL I | 27,194 | 142,906,547 | 679,850 | 31,239,371 | 31,919,221 | 2,488,042 | 7.79481% | 0.01741 | 1.00503 | 0.01750 |
| COMM. LGE VOL II | 521 | 39,486,897 | 23,445 | 6,379,108 | 6,402,553 | 499,067 | 7.79481% | 0.01264 | 1.00503 | 0.01270 |
| STREET LIGHTING | 1,066 | 1,339,312 | 0 | 126,525.00 | 126,525 | 9,862 | 7.79481% | 0.00736 | 1.00503 | 0.00740 |
| NGVS | 267 | 883,307 | 6,675 | 58,475 | 65,150 | 5,078 | 7.79481% | 0.00575 | 1.00503 | 0.00578 |
| TOTAL | 3,045,255 | 367,619,367 | 24,550,853 | 91,811,134 | 116,361,987 | 9,070,192 | | | | |

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 020004-GU
 KMF-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2003 Through December 2003

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| PROGRAM | CAPITAL INVEST | PYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|----------------------------|----------------|-------------------|---------------------|------------------|------------------|------------------|----------|---------------|------------------|
| 1 HOME BUILDER PROGRAM | 0 | 0 | 0 | 0 | 6,073,010 | 0 | 0 | 0 | 6,073,010 |
| 2 WATER HEATER LOAD RET | 0 | 0 | 0 | 0 | 230,400 | 0 | 0 | 0 | 230,400 |
| 3 OIL HEAT REPLACEMENT | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 | 10,000 |
| 4 SMALL PKG COGEN | 0 | 0 | 0 | 0 | 40,000 | 0 | 0 | 0 | 40,000 |
| 5 COM ELECTRIC REPLACEMENT | 0 | 0 | 0 | 0 | 147,173 | 0 | 0 | 0 | 147,173 |
| 6 RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | 0 | 397,145 | 0 | 0 | 0 | 397,145 |
| 7 COMMON COSTS | 0 | 376,078 | 20,000 | 1,134,325 | 0 | 10,000 | 0 | 10,000 | 1,550,403 |
| 8 GAS SPACE CONDITIONING | 0 | 0 | 0 | 0 | 80,000 | 0 | 0 | 0 | 80,000 |
| 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 | 376,078 | 20,000 | 1,134,325 | 6,977,728 | 10,000 | 0 | 10,000 | 8,528,131 |

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2002 Through December 2002

9 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 | 4,841,618 | 0 | 0 | 0 | 4,841,618 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 1,601,766 | 0 | 0 | 0 | 1,601,766 |
| C TOTAL | 0 | 0 | 0 | 0 | 6,443,384 | 0 | 0 | 0 | 6,443,384 |
| 2 WATER HEATER LOAD RET | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 174,200 | 0 | 0 | 0 | 174,200 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 51,546 | 0 | 0 | 0 | 51,546 |
| C TOTAL | 0 | 0 | 0 | 0 | 225,746 | 0 | 0 | 0 | 225,746 |
| 3 OIL HEAT REPLACEMENT | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 4,290 | 0 | 0 | 0 | 4,290 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 4,500 | 0 | 0 | 0 | 4,500 |
| C TOTAL | 0 | 0 | 0 | 0 | 8,790 | 0 | 0 | 0 | 8,790 |
| 4 SMALL PKG COGEN | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 9,999 | 0 | 0 | 0 | 9,999 |
| C TOTAL | 0 | 0 | 0 | 0 | 9,999 | 0 | 0 | 0 | 9,999 |
| 5 COM ELECTRIC REPLACEMENT | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 42,904 | 0 | 0 | 0 | 42,904 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 37,734 | 0 | 0 | 0 | 37,734 |
| C TOTAL | 0 | 0 | 0 | 0 | 80,638 | 0 | 0 | 0 | 80,638 |
| 6 RES ELECTRIC REPLACEMENT | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 251,980 | 0 | 0 | 0 | 251,980 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 92,610 | 0 | 0 | 0 | 92,610 |
| C. TOTAL | 0 | 0 | 0 | 0 | 344,590 | 0 | 0 | 0 | 344,590 |
| SUB-TOTAL | 0 | 0 | 0 | 0 | 7,113,147 | 0 | 0 | 0 | 7,113,147 |

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2002 Through December 2002
9 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 | 7,113,147 | 0 | 0 | 0 | 7,113,147 |
| 7. COMMON COSTS | | | | | | | | | |
| A ACTUAL | 0 | 277,911 | 3,614 | 923,913 | 0 | 1,102 | 0 | -45 | 1,206,496 |
| B ESTIMATED | 0 | 125,000 | 5,000 | 297,500 | 0 | 12,500 | 0 | 452,499 | 452,499 |
| C TOTAL | 0 | 402,911 | 8,614 | 1,221,413 | 0 | 13,602 | 0 | 12,454 | 1,658,995 |
| 8 GAS SPACE CONDITIONING | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 45,375 | 0 | 0 | 0 | 45,375 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 12,501 | 0 | 0 | 0 | 12,501 |
| C TOTAL | 0 | 0 | 0 | 0 | 57,876 | 0 | 0 | 0 | 57,876 |
| 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 | 402,911 | 8,614 | 1,221,413 | 7,171,023 | 13,602 | 0 | 12,454 | 8,830,017 |

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2002 Through December 2002
 9 Months of Actuals

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| PROGRAM NAME | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| HOME BUILDER PROGRAM | 459,540 | 718,158 | 371,340 | 365,500 | 774,655 | 841,750 | 389,290 | 483,995 | 437,390 | 533,922 | 533,922 | 533,922 | 6,443,384 |
| WATER HEATER LOAD RET | 15,400 | 21,000 | 21,800 | 22,000 | 19,200 | 19,100 | 18,700 | 19,400 | 17,600 | 17,182 | 17,182 | 17,182 | 225,746 |
| OIL HEAT REPLACEMENT | 990 | 0 | 660 | 660 | 330 | 0 | 660 | 330 | 660 | 1,500 | 1,500 | 1,500 | 8,790 |
| SMALL PKG COGEN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,333 | 3,333 | 3,333 | 9,999 |
| COM ELECTRIC REPLACEME | 44,780 | 3,240 | 3,652 | 4,560 | -39,360 | 11,848 | 8,540 | 3,200 | 2,444 | 12,578 | 12,578 | 12,578 | 80,638 |
| RES ELECTRIC REPLACEMEN | 21,715 | 37,663 | 37,088 | 31,470 | 32,825 | 24,488 | 18,568 | 21,790 | 26,375 | 30,870 | 30,870 | 30,870 | 344,590 |
| COMMON COSTS | 204,866 | 178,621 | 88,373 | 152,405 | 126,427 | 84,342 | 118,489 | 67,592 | 182,381 | 150,833 | 150,833 | 150,833 | 1,658,995 |
| GAS SPACE CONDITIONING | 0 | 0 | 15,000 | 21,000 | 0 | 0 | 0 | 9,375 | 0 | 4,167 | 4,167 | 4,167 | 57,876 |
| 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 | 747,291 | 958,681 | 537,913 | 600,595 | 914,077 | 981,527 | 554,246 | 605,682 | 666,850 | 754,365 | 754,385 | 754,385 | 8,830,017 |

ENERGY CONSERVATION ADJUSTMENT
January 2002 Through December 2002

| 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 | -988,594 | -840,867 | -916,003 | -915,338 | -444,804 | -590,919 | -560,811 | -534,362 | -534,362 | -534,362 | -534,362 | -534,362 | -7,929,143 |
| c. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONSERV ADJ REV (NET OF REV. TAXES) | -988,594 | -840,867 | -916,003 | -915,338 | -444,804 | -590,919 | -560,811 | -534,362 | -534,362 | -534,362 | -534,362 | -534,362 | -7,929,143 |
| TOTAL REVENUES | -988,594 | -840,867 | -916,003 | -915,338 | -444,804 | -590,919 | -560,811 | -534,362 | -534,362 | -534,362 | -534,362 | -534,362 | -7,929,143 |
| PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -29,377 | -352,527 |
| CONSERVATION REVS APPLIC TO PERIOD | -1,017,971 | -870,244 | -945,381 | -944,715 | -474,182 | -620,297 | -590,188 | -563,739 | -563,739 | -563,739 | -563,739 | -563,739 | -8,281,670 |
| CONSERVATION EXPS (FORM C-3, PAGE 3) | 747,291 | 958,681 | 537,913 | 600,595 | 914,077 | 981,527 | 554,246 | 605,682 | 666,850 | 754,385 | 754,385 | 754,385 | 8,830,017 |
| TRUE-UP THIS PERIOD | -270,680 | 88,437 | -407,468 | -344,120 | 439,895 | 361,231 | -35,942 | 41,943 | 103,111 | 190,646 | 190,646 | 190,646 | 548,347 |
| INTEREST THIS PERIOD (C-3,PAGE 5) | -694 | -792 | -986 | -1,487 | -1,376 | -739 | -456 | -414 | -271 | -13 | 310 | 633 | -6,287 |
| TRUE-UP & INT BEG OF MONTH | -352,527 | -594,523 | -477,502 | -856,578 | -1,172,808 | -704,911 | -315,042 | -322,063 | -251,156 | -118,939 | 101,071 | 321,405 | 542,061 |
| PRIOR TRUE-UP COLLECT (REFUND) | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 29,377 | 352,527 |
| END OF PERIOD TOTAL NET TRUE-UP | -594,523 | -477,502 | -856,578 | -1,172,808 | -704,911 | -315,042 | -322,063 | -251,156 | -118,939 | 101,071 | 321,405 | 542,061 | 542,061 |

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2002 Through December 2002

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
|---|----------|------------|------------|------------|------------|------------|----------|----------|----------|----------|---------|---------|-----------|
| INTEREST PROVISION | | | | | | | | | | | | | |
| BEGINNING TRUE-UP | -352,527 | -594,523 | -477,502 | -856,578 | -1,172,808 | -704,911 | -315,042 | -322,063 | -251,156 | -118,939 | 101,071 | 321,405 | 542,061 |
| END T-UP BEFORE INT | -593,829 | -476,710 | -855,592 | -1,171,321 | -703,535 | -314,303 | -321,607 | -250,742 | -118,668 | 101,085 | 321,095 | 541,428 | 1,442,935 |
| TOT BEG & END T-UP | -946,356 | -1,071,233 | -1,333,094 | -2,027,899 | -1,876,343 | -1,019,214 | -636,649 | -572,805 | -369,824 | -17,854 | 422,166 | 862,833 | 1,984,996 |
| AVERAGE TRUE-UP | -473,178 | -535,616 | -666,547 | -1,013,950 | -938,172 | -509,607 | -318,324 | -286,403 | -184,912 | -8,927 | 211,083 | 431,416 | 992,498 |
| INT. RATE-FIRST DAY OF REPORTING BUS MTH | 1 7700% | 1 7500% | 1 8000% | 1 7500% | 1 7700% | 1 7500% | 1 7300% | 1 7100% | 1 7600% | 1 7600% | 1 7600% | 1 7600% | |
| INT RATE-FIRST DAY OF SUBSEQUENT BUS MTH | 1 7500% | 1 8000% | 1 7500% | 1 7700% | 1 7500% | 1 7300% | 1 7100% | 1 7600% | 1 7600% | 1 7600% | 1 7600% | 1 7600% | |
| TOTAL | 3 5200% | 3 5500% | 3 5500% | 3 5200% | 3 5200% | 3 4800% | 3 4400% | 3 4700% | 3 5200% | 3 5200% | 3 5200% | 3 5200% | |
| AVG INTEREST RATE | 1 7600% | 1 7750% | 1 7750% | 1 7600% | 1 7600% | 1 7400% | 1 7200% | 1 7350% | 1 7600% | 1 7600% | 1 7600% | 1 7600% | |
| MONTHLY AVG RATE | 0 1467% | 0 1479% | 0 1479% | 0 1467% | 0 1467% | 0 1450% | 0 1433% | 0 1446% | 0 1467% | 0 1467% | 0 1467% | 0 1467% | |
| INTEREST PROVISION | -\$694 | -\$792 | -\$986 | -\$1,487 | -\$1,376 | -\$739 | -\$456 | -\$414 | -\$271 | -\$13 | \$310 | \$633 | -\$6,287 |

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Peoples Gas System

Reporting: January 2002 Through December 2002

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: | 12,021 |
| | Actual connections to date this period: | 9,033 |
| | Percent of goal: | 75.1% |
| | 9 Months of Actuals | |

| | | |
|-------------------------------------|-----------------------|--------------------|
| Program Fiscal Expenditures: | Estimated for period: | \$6,443,384 |
| | Actual to date: | \$4,841,618 |

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Peoples Gas System

Reporting: January 2002 Through December 2002

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: 2,257

Actual connections to date this period: 1,742

Percent of goal: 77.2%
9 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$225,746

Actual to date: \$174,200

Peoples Gas System

Reporting: January 2002 Through December 2002

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: 27

Actual connections to date this period: 13

Percent of goal: 48.8%
9 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$8,790

Actual to date: \$4,290

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-3

Peoples Gas System

Reporting: January 2002 Through December 2002

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: | \$9,999 |
| | Actual to date: | \$0 |

Peoples Gas System

Reporting: January 2002 Through December 2002

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: 2,016
Actual KWD displaced this period: 1,073
Percent of goal: 53.2%
9 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$80,638
Actual to date: \$42,904

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Peoples Gas System

Reporting: January 2002 Through December 2002

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: | 560 |
| | Actual connections to date this period: | 410 |
| | Percent of goal: 9 Months of Actuals | 73.1% |

| | | |
|-------------------------------------|-----------------------|------------------|
| Program Fiscal Expenditures: | Estimated for period: | \$344,590 |
| | Actual to date: | \$251,980 |

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Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-3

Peoples Gas System

Reporting: January 2002 Through December 2002

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

| | |
|-----------------------|--------------------|
| Estimated for period: | \$1,658,995 |
| Actual to date: | \$1,206,496 |
| Percent of goal: | 72.7% |
| 9 Months of Actuals | |

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-3

Peoples Gas System

Reporting: January 2002 Through December 2002

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) | 386 |
| | Actual connections this period: (tons) | 303 |
| | Percent of goal: | 78.4% |
| | 9 Months of Actuals | |

| | | |
|------------------------------|-----------------------|----------|
| Program Fiscal Expenditures: | Estimated for period: | \$57,876 |
| | Actual to date: | \$45,375 |

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ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2003 Through December 2003

| | |
|---|-----------|
| 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) | 1,829,220 |
| 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) | 853,519 |
| 3. TOTAL (LINE 1 AND LINE 2) | 2,682,739 |

| 5 9 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 | 426,227 | 10,728,427 | 2,983,589 | 3,489,421 | 6,473,010 | 1,347,188 | 20.81238% | 0.12557 | 1.00503 | 0.12620 |
| COMMERCIAL | 35,235 | 14,022,139 | 352,350 | 2,296,546 | 2,648,896 | 551,298 | 20.81238% | 0.03932 | 1.00503 | 0.03951 |
| COMM. LGE VOL I | 199 | 4,301,168 | 9,950 | 595,282 | 605,232 | 125,963 | 20.81238% | 0.02929 | 1.00503 | 0.02943 |
| INDUSTRIAL | 202 | 22,780,871 | 10,100 | 3,152,873 | 3,162,973 | 658,290 | 20.81238% | 0.02890 | 1.00503 | 0.02904 |
| TOTAL | 461,863 | 51,832,605 | 3,355,989 | 9,534,122 | 12,890,111 | 2,682,739 | | | | |

SCHEDULE C - 2

PAGE 2 OF 2

Company.

Peoples Gas System

West Florida Region

Exhibit No _____

Docket No. 020004-GU

KMF-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2003 Through December 2003

| PROGRAM | CAPITAL INVEST | PYROLL & BENEFITS | MATERLS & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|----------------------------|-------------------|----------------------|-----------------------|----------------|------------------|---------------------|----------|--------------|------------------|
| 1 HOME BUILDER PROGRAM | 0 | 0 | 0 | 0 | 1,368,650 | 0 | 0 | 0 | 1,368,650 |
| 2 ENERGY SAVINGS PAYBACK | 0 | 0 | 0 | 0 | 15,000 | 0 | 0 | 0 | 15,000 |
| 3 WATER HEATER LOAD RET | 0 | 0 | 0 | 0 | 36,100 | 0 | 0 | 0 | 36,100 |
| 4 RES ELECTRIC REPLACEMENT | 0 | 0 | 0 | 0 | 70,000 | 0 | 0 | 0 | 70,000 |
| 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 | 94,470 | 0 | 200,000 | 0 | 0 | 0 | 5,000 | 299,470 |
| 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 | 94,470 | 0 | 200,000 | 1,529,750 | 0 | 0 | 5,000 | 1,829,220 |

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2002 Through December 2002

9 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 | 1,035,350 | 0 | 0 | 0 | 1,035,350 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 333,195 | 0 | 0 | 0 | 333,195 |
| C TOTAL | 0 | 0 | 0 | 0 | 1,368,545 | 0 | 0 | 0 | 1,368,545 |
| 2 ENERGY SAVINGS PAYBACK | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 6,950 | 0 | 0 | 0 | 6,950 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 5,751 | 0 | 0 | 0 | 5,751 |
| C TOTAL | 0 | 0 | 0 | 0 | 12,701 | 0 | 0 | 0 | 12,701 |
| 3 WATER HEATER LOAD RET | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 35,800 | 0 | 0 | 0 | 35,800 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 9,708 | 0 | 0 | 0 | 9,708 |
| C TOTAL | 0 | 0 | 0 | 0 | 45,508 | 0 | 0 | 0 | 45,508 |
| 4 RES ELECTRIC REPLACEMENT | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 31,950 | 0 | 0 | 0 | 31,950 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 12,651 | 0 | 0 | 0 | 12,651 |
| C TOTAL | 0 | 0 | 0 | 0 | 44,601 | 0 | 0 | 0 | 44,601 |
| 5 COM ELECTRIC REPLACEMENT | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 10,190 | 0 | 0 | 0 | 10,190 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 6,249 | 0 | 0 | 0 | 6,249 |
| C TOTAL | 0 | 0 | 0 | 0 | 16,439 | 0 | 0 | 0 | 16,439 |
| 6 GAS SPACE CONDITIONING | | | | | | | | | |
| A ACTUAL | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 | 10,000 |
| B ESTIMATED | 0 | 0 | 0 | 0 | 3,750 | 0 | 0 | 0 | 3,750 |
| C TOTAL | 0 | 0 | 0 | 0 | 13,750 | 0 | 0 | 0 | 13,750 |
| SUB-TOTAL | 0 | 0 | 0 | 0 | 1,501,544 | 0 | 0 | 0 | 1,501,544 |

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2002 Through December 2002
9 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 | 1,501,544 | 0 | 0 | 0 | 1,501,544 |
| 7 COMMON COSTS | | | | | | | | | |
| A ACTUAL | 0 | 43,359 | 0 | 122,549 | 0 | 0 | 0 | 0 | 165,908 |
| B ESTIMATED | 0 | 13,000 | 0 | 52,500 | 0 | 0 | 0 | 70,500 | 70,500 |
| C TOTAL | 0 | 56,359 | 0 | 175,049 | 0 | 0 | 0 | 5,000 | 236,408 |
| 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 | 56,359 | 0 | 175,049 | 1,501,544 | 0 | 0 | 5,000 | 1,737,952 |

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2002 Through December 2002
 9 Months Actual

| PROGRAM NAME | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
|---------------------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| HOME BUILDER PROGRAM | 93,950 | 86,600 | 149,400 | 90,300 | 95,600 | 56,850 | 149,650 | 110,100 | 202,900 | 111,065 | 111,065 | 111,065 | 1,368,545 |
| ENERGY SAVINGS PAYBACK | 1,000 | -300 | 1,050 | 1,250 | 500 | 1,550 | 500 | 450 | 950 | 1,917 | 1,917 | 1,917 | 12,701 |
| WATER HEATER LOAD RET | 3,900 | 5,500 | 4,200 | 5,200 | 2,100 | 2,500 | 6,000 | 2,600 | 3,800 | 3,236 | 3,236 | 3,236 | 45,508 |
| RES ELECTRIC REPLACEMENT | 2,000 | 2,950 | 3,950 | 6,850 | 4,150 | 5,900 | 500 | 1,400 | 4,250 | 4,217 | 4,217 | 4,217 | 44,601 |
| COM ELECTRIC REPLACEMENT | 4,230 | 0 | 720 | 0 | 0 | 440 | 1,200 | 600 | 3,000 | 2,083 | 2,083 | 2,083 | 16,439 |
| GAS SPACE CONDITIONING | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 | 0 | 0 | 1,250 | 1,250 | 1,250 | 13,750 |
| COMMON COSTS | 23,113 | 27,426 | 13,606 | 21,751 | 19,349 | 10,208 | 18,188 | 12,517 | 19,750 | 23,500 | 23,500 | 23,500 | 236,408 |
| 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 | 128,193 | 122,176 | 172,926 | 135,351 | 121,699 | 77,448 | 176,038 | 127,667 | 234,650 | 147,268 | 147,268 | 147,268 | 1,737,952 |

ENERGY CONSERVATION ADJUSTMENT
January 2002 Through December 2002

| 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 | -322,065 | -271,931 | -274,979 | -274,435 | -57,368 | -121,588 | -121,546 | -118,419 | -118,419 | -118,419 | -118,419 | -118,419 | -2,036,008 |
| c | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONSERV ADJ REV (NET OF REV TAXES) | -322,065 | -271,931 | -274,979 | -274,435 | -57,368 | -121,588 | -121,546 | -118,419 | -118,419 | -118,419 | -118,419 | -118,419 | -2,036,008 |
| TOTAL REVENUES | -322,065 | -271,931 | -274,979 | -274,435 | -57,368 | -121,588 | -121,546 | -118,419 | -118,419 | -118,419 | -118,419 | -118,419 | -2,036,008 |
| PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 94,884 | 1,138,610 |
| CONSERVATION REVS APPLIC. TO PERIOD | -227,181 | -177,047 | -180,095 | -179,551 | 37,516 | -26,704 | -26,662 | -23,535 | -23,535 | -23,535 | -23,535 | -23,535 | -897,398 |
| CONSERVATION EXPS (FORM C-3, PAGE 3) | 128,193 | 122,176 | 172,926 | 135,351 | 121,699 | 77,448 | 176,038 | 127,667 | 234,650 | 147,268 | 147,268 | 147,268 | 1,737,952 |
| TRUE-UP THIS PERIOD | -98,988 | -54,871 | -7,169 | -44,200 | 159,215 | 50,744 | 149,376 | 104,132 | 211,115 | 123,733 | 123,733 | 123,733 | 840,554 |
| INTEREST THIS PERIOD (C-3,PAGE 5) | 1,528 | 1,289 | 1,105 | 920 | 867 | 873 | 871 | 926 | 1,033 | 1,141 | 1,185 | 1,229 | 12,966 |
| TRUE-UP & INT BEG OF MONTH | 1,138,610 | 946,265 | 797,799 | 696,850 | 558,686 | 623,884 | 580,616 | 635,979 | 646,153 | 763,417 | 793,407 | 823,441 | 853,519 |
| PRIOR TRUE-UP COLLECT ((REFUND) | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -94,884 | -1,138,610 |
| END OF PERIOD TOTAL NET TRUE-UP | 946,265 | 797,799 | 696,850 | 558,686 | 623,884 | 580,616 | 635,979 | 646,153 | 763,417 | 793,407 | 823,441 | 853,519 | 853,519 |

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2002 Through December 2002

| INTEREST PROVISION | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| BEGINNING TRUE-UP | 1,138,610 | 946,265 | 797,799 | 696,850 | 558,686 | 623,884 | 580,616 | 635,979 | 646,153 | 763,417 | 793,407 | 823,441 | 853,519 |
| END T-UP BEFORE INT. | 944,738 | 796,510 | 695,746 | 557,766 | 623,017 | 579,743 | 635,108 | 645,227 | 762,384 | 792,266 | 822,256 | 852,290 | 555,463 |
| TOT BEG & END T-UP | 2,083,348 | 1,742,775 | 1,493,545 | 1,254,617 | 1,181,704 | 1,203,627 | 1,215,724 | 1,281,206 | 1,408,538 | 1,555,684 | 1,615,664 | 1,675,731 | 1,408,982 |
| AVERAGE TRUE-UP | 1,041,674 | 871,388 | 746,772 | 627,308 | 590,852 | 601,814 | 607,862 | 640,603 | 704,269 | 777,842 | 807,832 | 837,866 | 704,491 |
| INT RATE-FIRST DAY OF REPORTING BUS MTH | 1.7700% | 1.7500% | 1.8000% | 1.7500% | 1.7700% | 1.7500% | 1.7300% | 1.7100% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% |
| INT RATE-FIRST DAY OF SUBSEQUENT BUS MTH | 1.7500% | 1.8000% | 1.7500% | 1.7700% | 1.7500% | 1.7300% | 1.7100% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% |
| TOTAL | 3.5200% | 3.5500% | 3.5500% | 3.5200% | 3.5200% | 3.4800% | 3.4400% | 3.4700% | 3.5200% | 3.5200% | 3.5200% | 3.5200% | 3.5200% |
| AVG INTEREST RATE | 1.7600% | 1.7750% | 1.7750% | 1.7600% | 1.7600% | 1.7400% | 1.7200% | 1.7350% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% |
| MONTHLY AVG RATE | 0.1467% | 0.1479% | 0.1479% | 0.1467% | 0.1467% | 0.1450% | 0.1433% | 0.1446% | 0.1467% | 0.1467% | 0.1467% | 0.1467% | 0.1467% |
| INTEREST PROVISION | \$1,528 | \$1,289 | \$1,105 | \$920 | \$867 | \$873 | \$871 | \$926 | \$1,033 | \$1,141 | \$1,185 | \$1,229 | \$12,966 |

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 020004-GU
 KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

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: | 2,988 |
| | Actual connections to date this period: | 2,261 |
| | Percent of goal | 75.7% |
| | 9 Months Actual | |

| | | |
|-------------------------------------|-----------------------|-------------|
| Program Fiscal Expenditures: | Estimated for period. | \$1,368,545 |
| | Actual to date: | \$1,035,350 |

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

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: 19

| | | |
|------------------------------|-----------------------|----------|
| Program Fiscal Expenditures: | Estimated for period: | \$12,701 |
| | Actual to date: | \$6,950 |

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

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: **455**

Actual connections to date this period: **358**

Percent of goal. **78.7%**

9 Months Actual

Program Fiscal Expenditures: Estimated for period: **\$45,508**

Actual to date: **\$35,800**

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Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 020004-GU
 KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

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: | 185 |
| | Actual connections to date this period. | 107 |
| | Percent of goal: | 57.5% |
| | 9 Months Actual | |

| | | |
|-------------------------------------|-----------------------|-----------------|
| Program Fiscal Expenditures: | Estimated for period: | \$44,601 |
| | Actual to date: | \$31,950 |

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Peoples Gas System

Reporting: January 2002 Through December 2002

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. **548**

Actual KWD displaced this period: **340**

Percent of goal: **62.0%**

9 Months Actual

Program Fiscal Expenditures: Estimated for period: **\$16,439**

Actual to date: **\$10,190**

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

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) | 138 |
| | Actual connections this period: (tons) | 100 |
| | Percent of goal: | 72.7% |
| | 9 Months Actual | |
| Program Fiscal Expenditures: | Estimated for period: | \$13,750 |
| | Actual to date | \$10,000 |

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 020004-GU
KMF-4

Peoples Gas System

Reporting: January 2002 Through December 2002

Name: Energy Conservation Common Costs

| | | |
|------------------------------|-----------------------|-----------|
| Program Fiscal Expenditures: | Estimated for period: | \$236,408 |
| | Actual to date: | \$165,908 |
| | Percent of goal: | 70.2% |
| | 9 Months Actual | |

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