

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030004-GU

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In the Matter of
NATURAL GAS CONSERVATION
COST RECOVERY.

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PROCEEDINGS: HEARING

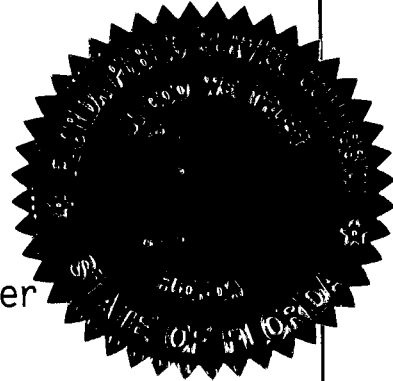
BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER J. TERRY DEASON
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER RUDOLPH BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: Wednesday, November 12, 2003

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
OFFICIAL FPSC REPORTER
(850) 413-6732



1 APPEARANCES:

2 NORMAN H. HORTON, JR., ESQUIRE, Messer Law
3 Firm, P.O. Box 1876, Tallahassee, Florida
4 32302-1876, appearing on behalf of Florida Public
5 Utilities Company.

6 GARY PERKO, ESQUIRE, Hopping Law Firm, P. O. Box 6526,
7 Tallahassee, Florida 32314, appearing on behalf of City Gas
8 Company of Florida.

9 STUART L. SHOAF, St. Joe Natural Gas Company, Inc.,
10 P. O. Box 549, Port St. Joe, Florida 32457-0549 appearing on
11 behalf of St. Joe Natural Gas Company.

12 WAYNE SCHIEFELBEIN, ESQUIRE, Rose Law Firm, 2548
13 Blainstone Pines Dr., Tallahassee, Florida 32301, appearing on
14 behalf of Florida Division of Chesapeake Utilities Corporation.

15 LORENA HOLLEY, ESQUIRE, FPSC General Counsel's Office,
16 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
17 appearing on behalf of Commission Staff.

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I N D E X

WITNESSES

NAME :	PAGE NO.
GLORIA LOPEZ	
Prefiled Direct Testimony Inserted	6
Prefiled Direct Testimony Inserted	8
BRIAN S. BILINSKI	
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ROBERT L. SMITH	
Prefiled Direct Testimony Inserted	15
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KANDI M. FLOYD	
Prefiled Direct Testimony Inserted	26
DEBBIE STITT	
Prefiled Direct Testimony Inserted	32
Prefiled Direct Testimony Inserted	34

EXHIBITS

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NUMBER:

ID. ADMTD.

1	GL-1 and GL-2	5	5
2	BSB-1 and BSB-2	5	5
3	RLS-1 and RLS-2	5	5
4	KMF-1, KMF-2, KMF-3, 3R, KMF-4 and 4R	5	5
5	DS-1	5	5

P R O C E E D I N G S

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CHAIRMAN JABER: 04.

MS. HOLLEY: As in the previous docket, all witnesses have been excused and all issues have a proposed stipulation.

CHAIRMAN JABER: All of the prefiled testimony filed in 030004 shall be inserted into the record as though read. Exhibits.

MS. HOLLEY: Gloria Lopez, GL-1 and GL-2.

CHAIRMAN JABER: Shall be identified as Composite Exhibit 1.

MS. HOLLEY: Brian S. Bilinski, BSB-1 and BSB-2.

CHAIRMAN JABER: Shall be identified as Composite Exhibit 2.

MS. HOLLEY: Robert L. Smith, RLS-1 and RLS-2.

CHAIRMAN JABER: Identified as Composite Exhibit 3.

MS. HOLLEY: Kandi M. Floyd, KMF-1, KMF-2, KMF-3 and 3R, KMF-4 and 4R.

CHAIRMAN JABER: Are identified as Composite Exhibit 4.

MS. HOLLEY: And Debbie Stitt, DS-1.

CHAIRMAN JABER: Exhibit 5. And let the record reflect Composite Exhibits 1 through 4 are admitted into the record. Exhibit Number 5 is admitted into the record.

(Exhibit 1 through 5 marked for identification and admitted into the record.)

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY OF
3 GLORIA LOPEZ
4 ON BEHALF OF NUI CITY GAS COMPANY OF FLORIDA
5 DOCKET NO. 030004-GU
6 May 15, 2003

7

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

10

11 A. My name is Gloria Lopez and my business address is 955 East 25th
12 Street, Hialeah, Florida 33013-3498. I am employed by NUI
13 Corporation as Director of Business and Regulatory Affairs.

14

15 **Q. Are you familiar with the energy conservation programs of City**
16 **Gas Company of Florida ("City Gas")?**

17

18 A. Yes, I am. City Gas is NUI Utility Inc.'s Florida utility operation.

19

20 **Q. Are you familiar with the costs that have been incurred and that**
21 **are projected to be incurred by City Gas in implementing its**
22 **energy conservation programs?**

23

24 A. Yes, I am.

25

- 1 **Q. What is the purpose of your testimony in this docket?**
- 2 A. To submit the recoverable costs incurred during the period ending
3 December 31, 2002, and to identify the final true-up amount related to
4 that period.
- 5
- 6 **Q. Has City Gas prepared schedules which show the expenditures**
7 **associated with its energy conservation programs for the period**
8 **you have mentioned?**
- 9
- 10 A. Yes. I have prepared and filed together with this testimony Exhibit
11 ___ (GL-1) consisting of Schedules CT-1, CT-2 and CT-3.
- 12
- 13 **Q. What amount did City Gas spend on conservation programs**
14 **during this period?**
- 15
- 16 A. \$2,168,090.
- 17
- 18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2002?**
- 20
- 21 A. An over-recovery of \$143,494.
- 22
- 23 **Q. Does this conclude your testimony?**
- 24
- 25 A. Yes, it does.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF GLORIA L. LOPEZ

ON BEHALF OF

CITY GAS COMPANY OF FLORIDA

DOCKET NO. 030004-GU

September 26, 2003

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

A. My name is Gloria L. Lopez and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by NUI Utilities, Inc. as Director of Regulatory & Business Affairs.

Q. Are you familiar with the energy conservation programs of City Gas Company of Florida ("City Gas")?

A. Yes, I am.

Q. Are you familiar with the costs that have been incurred and are projected to be incurred by City Gas in implementing its energy conservation programs?

1 A. Yes, I am.

2

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

4

5 A. To submit the conservation cost recovery true-up for the final true-up
6 period January 1, 2002 through December 31, 2002, and for the actual
7 and estimated period of January 1, 2003, through December 31, 2003. I
8 will also present the total level of costs City Gas seeks to recover through
9 its conservation factors during the period January 1, 2004 through
10 December 31, 2004, as well as the conservation factors which, when
11 applied to our customer's bills during the period January 1, 2004 through
12 December 31, 2004, will permit recovery of total ECCR costs.

13

14 **Q. What is the Company's estimated true-up for the period January 1,
15 2003 through December 31, 2003?**

16

17 A. An over-recovery of \$700,170. This amount is calculated on page 4 of
18 Schedule C-3 and takes into account the final audited true-up for the
19 year ended December 31, 2002, which was an over-recovery of
20 \$284,671, including interest.

21

1 **Q. What is the total cost City Gas seeks to recover during the period**
2 **January 1, 2004 through December 31, 2004?**

3

4 A. \$2,826,881. This represents the projected costs of \$3,527,051 to be
5 incurred during 2004, less the estimated true-up of \$700,170 for calendar
6 year 2003.

7

8 **Q. What conservation factors does City Gas need to permit recovery of**
9 **these costs?**

10

11 A.	Residential (RS, ED & GL)	\$0.07669
12	Commercial (CS, ED & SCTS)	\$0.02222
13	Commercial Large Volume (LCS & CTS)	\$0.01469
14	Industrial (IP & ITS)	\$0.01340

15

16 **Q. Has City Gas prepared schedules to support its requested**
17 **Conservation Cost Recovery Factor?**

18

19 A. Yes. I have prepared and filed together with this testimony Schedules C-
20 1 through C-3 and C-5 as prescribed by Commission Staff. These
21 schedules are included in my Exhibit ____ (GL-2).

22

1 **Q. Does this conclude your testimony?**

2

3 **A. Yes, it does.**

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost Recovery Clause

3 DIRECT TESTIMONY OF BRIAN S. BILINSKI

4 On Behalf of5 Chesapeake Utilities Corporation

6 DOCKET NO. 030004-GU

7 Q. Please state your name, business address, by whom you are employed, and in
8 what capacity.9 A. My name is Brian S. Bilinski. My business address is 1015 6th Street N.W.,
10 Winter Haven, Florida, 33881. I am employed by Chesapeake Utilities
11 Corporation ("Chesapeake") as the Accounting and Rates Manager.12 Q. Are you familiar with the energy conservation programs of Chesapeake and
13 the revenues and costs that are associated with these programs?

14 A. Yes.

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

16 A. The purpose of my testimony is to present data and summaries concerning the
17 planned and actual accomplishments of Chesapeake's energy conservation
18 programs during the period January 2002 through December 2002. Data
19 related to calculation of the true-up for this period is also included.20 Q. Have you prepared summaries of Chesapeake's conservation programs and
21 the costs associated with them?22 A. Yes. Summaries of the seven programs in connection with which Chesapeake
23 incurred recoverable costs during the period January 2002 through DecemberDOCUMENT FILED DATE
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REG. CLERK

1 2002 are contained in Schedule CT-6 of Exhibit BSB-1. Included are our
2 Residential Home Builders Programs, Residential Appliance Replacement
3 Program, Residential Water Heater Retention Program, Residential Space
4 Conditioning Program, Gas Space Conditioning Program, Propane
5 Distribution Program and our Conservation Education Program.

6 Q. Have you prepared schedules which show the expenditures associated with
7 Chesapeake's energy conservation programs for the periods you have
8 mentioned?

9 A. Yes. Schedule CT-2 page 1, Exhibit BSB-1 shows actual expenses
10 for the period, and also shows a comparison of the actual program costs and
11 true-up with the estimated costs and true-up submitted at the November 2002
12 hearing in this docket.

13 Q. What was the total cost incurred by Chesapeake in connection with the seven
14 programs during the twelve months ending December 2002?

15 A. As shown in Exhibit BSB-1, Schedule CT-2, page 2, total program costs were
16 \$853,720. This total is \$ 57,237 more than our projection of the program
17 costs for the twelve month period.

18 Q. Have you prepared, for the twelve month period involved, a schedule which
19 shows the variance of actual from projected costs by categories of expenses.

20 A. Yes. Schedule CT-2, page 3, of Exhibit BSB-1 shows these variances.

21 Q. What is Chesapeake's adjusted net true-up for the twelve months ended
22 December 2002?

1 A. As shown on Schedule CT-2, page 1, we originally estimated an
2 underrecovery, including interest, of \$10,545. This projected true-up amount
3 was based on conservation revenues of \$788,259 for the period January 2002
4 through December 2002. However, the approved energy conservation rates
5 for sales and transportation services during this period actually yielded
6 conservation revenues of \$707,038, or \$81,221 under projection. Expenses
7 for the period were \$57,237 more than projected. The total difference,
8 including interest, is \$138,679.

9 Q. Is this adjusted net true-up of \$138,679 an overrecovery or an underrecovery?

10 A. An underrecovery, as shown on Schedule CT-1 of Exhibit BSB-1.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
ROBERT L. SMITH

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is 401 S. Dixie
3 Highway, West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as
6 Director of Marketing and Sales.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under
9 recovery of the Conservation costs for the period
10 January 1, 2002 through December 31, 2002 as compared to
11 the amounts previously reported for that period
12 which were based on four months estimated data.

13 Q. Please state the actual amounts of over/under recovery of
14 Conservation Program costs for both divisions of Florida
15 Public Utilities Company for January 1, 2002 through December
16 31, 2002.

17 A. The Company under-recovered \$123,890 during that period.
18 These amounts are substantiated on Schedule CT-3, page 2 of
19 3, Calculation of True-up and Interest Provision.

1 Q. How do these amounts compare with the estimated true-up
2 amounts which were allowed by the Commission?

3 A. We did not provide any estimated true-up amounts for this
4 period.

5 Q. Have you prepared any exhibits at this time?

6 A. We have prepared and pre-filled Schedules CT-1, CT-2,
7 CT-3, CT-4, CT-5 and CT-6 (Composite Exhibit RLS-2).

8 Q. Does this conclude your testimony?

9 A. Yes.

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
ROBERT L. SMITH

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is 401 S. Dixie
3 Highway, West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as
6 Director of Marketing and Sales.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under
9 recovery of the Conservation costs for the period
10 January 1, 2002 through December 31, 2002 as compared to
11 the amounts previously reported for that period
12 which were based on four months estimated data.

13 Q. Please state the actual amounts of over/under recovery of
14 Conservation Program costs for both divisions of Florida
15 Public Utilities Company for January 1, 2002 through December
16 31, 2002.

17 A. The Company under-recovered \$123,890 during that period.
18 These amounts are substantiated on Schedule CT-3, page 2 of
19 3, Calculation of True-up and Interest Provision.

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FPSC-COMMISSION CLERK

1 Q. How do these amounts compare with the estimated true-up
2 amounts which were allowed by the Commission?

3 A. We did not provide any estimated true-up amounts for this
4 period.

5 Q. Have you prepared any exhibits at this time?

6 A. We have prepared and pre-filled Schedules CT-1, CT-2,
7 CT-3, CT-4, CT-5 and CT-6 (Composite Exhibit RLS-2).

8 Q. Does this conclude your testimony?

9 A. Yes.

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REVISED

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
ROBERT L. SMITH

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is 401 S. Dixie
3 Highway, West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as
6 Director of Marketing and Sales.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under
9 recovery of the Conservation costs for the period
10 January 1, 2002 through December 31, 2002 as compared to
11 the amounts previously reported for that period
12 which were based on four months estimated data.

13 Q. Please state the actual amounts of over/under recovery of
14 Conservation Program costs for both divisions of Florida
15 Public Utilities Company for January 1, 2002 through December
16 31, 2002.

17 A. The Company under-recovered \$123,348 during that period.
18 These amounts are substantiated on Schedule CT-3, page 2 of
19 3, Calculation of True-up and Interest Provision.

1 Q. How do these amounts compare with the estimated true-up
2 amounts which were allowed by the Commission?

3 A. We did not provide any estimated true-up amounts for this
4 period.

5 Q. Have you prepared any exhibits at this time?

6 A. We have prepared and pre-filled Schedules CT-1, CT-2,
7 CT-3, CT-4, CT-5 and CT-6 (Composite Exhibit RLS-2).

8 Q. Does this conclude your testimony?

9 A. Yes.

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
ROBERT L. SMITH
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

- 1 Q. Please state your name and business address.
- 2 A. Robert L. Smith: my business address is P.O.
- 3 Box 3395, West Palm Beach, Florida 33402-3395.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities
- 6 Company as Director, Marketing and Sales.
- 7 Q. What is the purpose of your testimony at this
- 8 time?
- 9 A. To advise the Commission as to the Conservation
- 10 Cost Recover Clause Calculation for the period
- 11 January 2004 through December 2004 and to
- 12 clarify the use of "Good Cents" branding to
- 13 support Florida Public Utilities conservation
- 14 programs.
- 15 Q. What are the total projected costs for the
- 16 period January 2004 through December 2004 in the
- 17 Consolidated Natural Gas Division?
- 18 A. The total projected Conservation Program Costs

1 are \$2,178,300. Please see Schedule C-2, page
 2 2, for the programmatic and functional breakdown
 3 of these total costs.

4 Q. What is the true-up for the period January, 2003
 5 through December, 2003?

6 A. As reflected in the respective "C" schedules,
 7 the True-up amount for the Consolidated Natural
 8 Gas Division is (\$139,864).

9 Q. What are the resulting net total projected
 10 conservation costs to be recovered during this
 11 period?

12 A. The total costs to be recovered are \$2,038,436.

13 Q. What is the Conservation Adjustment Factor
 14 necessary to recover these projected net total
 15 costs?

16 A. The Conservation Adjustment Factors per therm
 17 for the Consolidated Natural Gas Division are:

18		
19	Residential	\$.08923
20	General Service & GS Transportation	\$.03274
21	Large Volume Service & LV Transportation <50,000	\$.02184
22	Large Volume Transportation Service >50,000	\$.02184

23
 24 Q. Are there any exhibits that you wish to sponsor
 25 in this proceeding?

26 A. Yes. I wish to sponsor as Exhibits Schedules
 27 C1, C-2, C-3, and C-5 (Composite Prehearing

1 Identification Number RLS-2), which have been
2 filed with this testimony.

3
4 Q. How does Florida Public Utilities plan to
5 promote the Commission approved conservation
6 programs to customers?

7 A. These programs will be promoted through the
8 implementation of the company's "Good Cents"
9 branding.

10 Q. What is the "Good Cents" branding?

11 A. "Good Cents" is a nationally recognized licensed
12 energy conservation and fuel neutral program
13 utilized by numerous electric and natural gas
14 utilities. Florida Public Utilities has
15 expanded its branding license arrangement to
16 include the Commission approved natural gas
17 conservation programs.

18 Q. How does Florida Public Utilities utilize this
19 branding?

20 A. The Company uses the "Good Cents" branding to
21 create an awareness of its energy conservation
22 and fuel neutral programs among consumers,
23 businesses, builders and developers via
24 broadcast and print media, promotional items and
25 other collateral materials. Through this
26 branding, end users and specifiers can readily

1 identify where to obtain energy expertise to
2 assist them with their energy decisions.

3 Q. Does Florida Public Utilities Company expect to
4 make any modifications to the manner in which it
5 promotes the approved energy conservation
6 programs during the period January 1, 2004
7 through December 31, 2004?

8 A. Yes. Florida Public Utilities Company plans to
9 continue participation in the statewide
10 GetGasFl.com advertising campaign. The campaign
11 promotes the energy conservation benefits of gas
12 through the use of multiple media outlets. The
13 campaign directs consumers to common web site.
14 The web site contains additional benefits on the
15 utilization of gas, the availability of gas by
16 region, and contact information, as well as
17 specifics about the energy conservation programs
18 offered.

19 Q. Does the campaign meet the guidelines for
20 recovery under Rule 25-17.015, Energy
21 Conservation Cost Recovery?

22 A. Yes, the campaign meets the guidelines
23 established by Rule 25-17.015, Energy
24 Conservation Cost Recovery.

25 Q. Has Florida Public Utilities Company included
26 the estimated cost of the campaign in the

1 projected costs associated with the conservation
2 programs?

3 A. Yes, the estimated cost of the campaign is
4 included in the projections. The projected
5 amount to be spent on the campaign during
6 calendar year 2004 is \$102,820.

7 Q. Does this conclude your testimony?

8 A. Yes.

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **PREPARED DIRECT TESTIMONY**3 **OF**4 **KANDI M. FLOYD**

5
6 Q. Please state your name, business address, by whom you are employed, and in what
7 capacity?

8
9 A. My name is Kandi M. Floyd. My business address is Peoples Gas System, 702 North
10 Franklin Street, P.O. Box 2562, Tampa, Florida 33601-2562. I am employed by
11 Peoples Gas System ("Peoples" or "Company") and am the Manager of State
12 Regulatory.

13
14 Q. Please describe your educational and employment background.

15
16 A. I have a Bachelor of Arts Degree in Business Administration from Saint Leo College.
17 From 1995 to 1997, I was employed in a series of positions within the regulatory
18 affairs department of Tampa Electric Company. In 1998, I joined Peoples Gas System
19 as a Regulatory Coordinator in the Regulatory and Gas Supply Department. In 2001, I
20 became the Energy Conservation / Regulatory Administrator and in 2003 became the
21 Manager of State Regulatory for Peoples Gas System. In this role, I am responsible
22 for coordinating and overseeing all Energy Conservation Cost Recovery ("ECCR")
23 Clause activities along with various Regulatory activities for Peoples.

24
25 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 2003 through August 2003, and the costs that Peoples seeks to recover through the ECCR clause in 2004. 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 2002 through December 2002. Next, my testimony addresses the actual costs incurred in January 2003 through August 2003, and revised projections of program costs that Peoples expects to incur from September 2003 through December 2003. In addition, my testimony presents projected conservation program costs for the period January 2004 through December 2004.

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 2004 and continuing through the last billing cycle for December 2004.

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-1) contains the conservation cost recovery true-up data for the period January 2002 through December 2002 for Peoples' non-West Florida Region, and Exhibit ____ (KMF-2) 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 2003 through August 2003 as well as reprojected expenses for the period September 2003 through December 2003 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 2004 through December 2004 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 2002 through December 2002?

A. Yes. Actual expenses for the period January 2002 through December 2002 for Peoples' non-West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-1). Actual expenses for that period for the West Florida Region are shown on Schedule CT-2, page 2, of Exhibit ____ (KMF-2). 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 2002 through
2 December 2002?

3
4 A. With respect to Peoples' non-West Florida Region, as shown on Schedule CT-1 of
5 Exhibit ____ (KMF-1), the end-of-period net true-up for the period is an
6 underrecovery of \$380,930 including both principal and interest. The projected true-up
7 for the period, as approved by Commission Order No. PSC-02-1737-FOF-EG, was an
8 underrecovery of \$542,060 (including interest). Subtracting the projected true-up
9 underrecovery from the actual underrecovery yields the adjusted net true-up of
10 \$161,130 overrecovery (including interest).

11
12 With respect to Peoples' West Florida Region, as shown on Schedule CT-1 of Exhibit
13 ____ (KMF-2), the end-of-period net true-up for the period is an underrecovery of
14 \$530,074 including both principal and interest. The projected true-up for the period, as
15 approved by Commission Order No. PSC-02-1737FOF-EG, was an underrecovery of
16 \$853,520 (including interest). Subtracting the projected true-up underrecovery from
17 the actual underrecovery yields the adjusted net true-up of \$323,446 overrecovery
18 (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 2004 through and including December 2004?

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 2003 through August 2003 and projected expenses for the period
9 September 2003 through December 2003.

10
11 Projected expenses for the January 2004 through December 2004 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 2004 through December 2004 period. The resulting
19 totals of \$9,545,356 (for the non-West Florida Region) and \$2,932,716 (for the West
20 Florida Region) are the total expenses to be recovered during calendar year 2004.
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

1 and adjustment factors by rate class for Peoples' non-West Florida Region for the
2 period January 2004 through December 2004. Schedule C-1 of Exhibit ____ (KMF-4)
3 shows the resulting estimated ECCR revenues and adjustment factors by rate class for
4 Peoples' West Florida Region for the same period.

5
6 Q. Does this conclude your prefled direct testimony?

7
8 A. Yes, it does.

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1. BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2. In Re: Conservation Cost
3. Recovery ClauseDocket No. 030004-EG
Filing Date: May 10, 2003

4.

5. DIRECT TESTIMONY OF DEBBIE STITT ON
6. BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.7. Q. Please state your name, business address, by whom you are
8. employed and in what capacity.9. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456
10. St. Joe Natural Gas Company in the capacity of Energy
11. Conservation Analyst.

12. Q. What is the purpose of your testimony?

13. A. My purpose is to submit the expenses and revenues
14. associated with the Company's conservation programs
15. during the twelve month period ending December 31, 2002
16. and to identify the final true-up amount related to that
17. period.18. Q. Have you prepared any exhibits in conjunction with your
19. testimony?20. A. Yes, I have prepared and filed together with this testi-
21. mony this 10th day of May, 2003 Schedules CT-1 through
22. CT-5 prescribed by the Commission Staff which have
23. collectively been entitled "Adjusted Net True-up for
24. twelve months ending December 31, 2002" for identi-
25. fication.

DOCUMENT NUMBER DATE

04185 MAY-98

FPSC-COMMISSION CLERK

1. Q. What amount did St. Joe Natural Gas spend on conser-
2. vation programs during the period?
3. A. \$24,000.00
4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2002?
6. A. An over-recovery of \$8,045.00?
7. Q. Does this conclude your testimony?
9. A. Yes
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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Conservation Cost) Docket No. 030004-EG**
 Recovery Clause) Submitted for Filing
 3 _____) **September 29, 2003**

4

5 **DIRECT TESTIMONY OF DEBBIE STITT ON**
 6 **BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.**

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

9 A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida
 10 32456, St Joe Natural Gas Company in the capacity of
 11 Energy Conservation Analyst.

12 Q. What is the purpose of your testimony?

13 A. My purpose is to submit the known and projected
 14 expenses and revenues associated with SJNG's
 15 conservation programs incurred in January thru August
 16 2003 and projection costs to be incurred from Sept.
 17 2003 through December 2003. It will also include
 18 projected conservation costs for the period January
 19 1, 2004 through December 31, 2004 with a calculation
 20 of the conservation adjustment factors to be applied
 21 to the customers bills during the January 1, 2004
 22 through December 31, 2004 period.

23 Q. Have you prepared any exhibits in conjunction with
 24 your testimony?

25 A. Yes, I have prepared and filed to the Commission the

1 29th day of September 2003 Schedule C1
2 prescribed by the Commission Staff which has
3 collectively been entitled "Energy Conservation
4 Adjustmnt Summary of Cost Recovery Clause Calculation
5 for months January 1, 2004 through December 31, 2004"
6 for identification.

7 Q. What Conservation Adjustment Factor does St. Joe
8 Natural Gas seek approval through its petition for
9 the twelve month period ending December 31, 2004.

10 A. \$0.01803 per therm for Residential, \$0.01582 per
11 therm for Small Commercial, and \$0.00722 for
12 Commercial.

13 Q. Does this conclude your testimony?

14 A. Yes.

15

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1 CHAIRMAN JABER: And, staff, the issues -- all of the
2 issues for 04 have a proposed stipulation?

3 MS. HOLLEY: That's correct, starting on Page 12 of
4 the prehearing order, Issues 1 through 3.

5 CHAIRMAN JABER: Commissioners, can I have a motion
6 accepting the stipulations for Issues 1 through 3?

7 COMMISSIONER DEASON: So moved.

8 COMMISSIONER BAEZ: Second.

9 CHAIRMAN JABER: All those in favor say aye.

10 (Unanimous affirmative vote.)

11 CHAIRMAN JABER: The proposed stipulations resolving
12 Issues 1 through 3 are approved unanimously. And, again,
13 parties in the 04 docket are excused if you don't need to be
14 here for the other docket.

15 * * * * *

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STATE OF FLORIDA)

 :

COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 24th day of November, 2003.



JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

ADJUSTED NET TRUE UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPLE	(275,114)	
INTEREST	(9,557)	(284,671)

LESS PROJECTED TRUE-UP

PRINCIPLE	(131,723)	
INTEREST	(9,454)	(141,177)

ADJUSTED NET TRUE-UP

(143,494)

() REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU EXHIBIT NO. 1 *Comp. Ex.*
COMPANY/ City Gas Co.
WITNESS: Gloria Lopez - GL-1 + GL-2
DATE: 11-12-03

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	572,156	620,146	(47,990)
MATERIALS & SUPPLIES	-	1,250	(1,250)
ADVERTISING	257,164	259,122	(1,958)
INCENTIVES	1,264,975	1,445,694	(180,719)
OUTSIDE SERVICES	39,330	35,468	3,862
VEHICLES	34,465	36,938	(2,473)
OTHER	<u>-</u>	<u>-</u>	<u>-</u>
SUB-TOTAL	2,168,090	2,398,618	(230,528)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	2,168,090	2,398,618	(230,528)
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(2,443,204)	(2,530,341)	87,137
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	(275,114)	(131,723)	(143,391)
INTEREST PROVISION	(9,557)	(9,454)	(103)
END OF PERIOD TRUE-UP	<u>(284,671)</u>	<u>(141,177)</u>	<u>(143,494)</u>

() REFLECTS OVER-RECOVERY

*** Eight months actual and four months projected (Jan-Dec'2002)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE			VEHICLE	OTHER	TOTAL	
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES				
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	123,685	-	15,883	1,099,602	-	9,399	-	1,248,569
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	9,849	-	-	16,706	-	1,717	-	28,272
PROGRAM 3: ELECTRIC REPLACEMENT	-	88,767	-	89,116	91,457	-	5,311	-	274,651
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	14	-	-	-	-	75	-	89
PROGRAM 7: WATER HEATER RETENTION	-	29,848	-	-	32,125	-	1,364	-	63,337
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	14,632	-	-	3,768	-	814	-	19,214
PROGRAM 9: COMM/IND CONVERSION	-	264,157	-	-	21,317	-	13,091	-	298,565
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	4,672	-	2,450	-	-	1,603	-	8,725
COMMON COSTS	-	36,532	-	149,715	-	39,330	1,091	-	226,668
TOTAL TOTAL OF ALL PROGRAMS	-	572,156	-	257,164	1,264,975	39,330	34,465	-	2,168,090

CITY GAS COMPANY OF FLORIDA
PROJECTED CONSERVATION COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS				OUTSIDE			TOTAL	
	INVESTMENT	BENEFITS	& SUPPLIES	ADVERTISING	INCENTIVES	SERVICES	VEHICLE	OTHER		
PROGRAM 1: SINGLE FAMILY HOME BUILDE	-	148,199	-	10,937	1,199,338	-	10,358	-	1,368,832	
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	18,904	-	-	63,506	-	1,879	-	84,289	
PROGRAM 3: ELECTRIC REPLACEMENT	-	97,744	-	61,506	98,183	-	5,625	-	263,058	
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 6: PROPANE CONVERSION	-	649	-	-	100	-	76	-	825	
PROGRAM 7: WATER HEATER RETENTION	-	31,573	-	-	33,425	-	1,033	-	66,031	
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	14,232	-	-	4,821	-	918	-	19,971	
PROGRAM 9: COMM/IND CONVERSION	-	262,616	-	2,000	26,771	-	8,454	-	299,841	
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	12,874	-	6,400	19,550	-	7,096	-	45,920	
COMMON COSTS	-	33,355	1,250	178,279	-	35,468	1,499	-	249,851	
TOTAL	TOTAL OF ALL PROGRAMS	-	620,146	1,250	259,122	1,445,694	35,468	36,938	-	2,398,618

REVENUES

INTEREST

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

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE			VEHICLE	OTHER	TOTAL	
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES				
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	(24,514)	-	4,946	(99,736)	-	(959)	-	(120,263)
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(9,055)	-	-	(46,800)	-	(162)	-	(56,017)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(8,977)	-	27,610	(6,726)	-	(314)	-	11,593
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	(635)	-	-	(100)	-	(1)	-	(736)
PROGRAM 7: WATER HEATER RETENTION	-	(1,725)	-	-	(1,300)	-	331	-	(2,694)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	400	-	-	(1,053)	-	(104)	-	(757)
PROGRAM 9: COMM/IND CONVERSION	-	1,541	-	(2,000)	(5,454)	-	4,637	-	(1,276)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(8,202)	-	(3,950)	(19,550)	-	(5,493)	-	(37,195)
COMMON COSTS	-	3,177	(1,250)	(28,564)	-	3,862	(408)	-	(23,183)
TOTAL TOTAL OF ALL PROGRAMS	-	(47,990)	(1,250)	(1,958)	(180,719)	3,862	(2,473)	-	(230,528)

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	110,696	129,444	96,988	95,180	92,778	82,983	122,441	111,277	100,306	93,569	91,868	121,039	1,248,569
PROGRAM 2:	528	1,089	860	982	1,333	1,362	1,317	17,380	465	1,168	983	805	28,272
PROGRAM 3:	23,373	21,349	25,642	28,811	23,563	16,311	16,087	21,278	24,076	28,321	14,447	31,393	274,651
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	9	9	34	(5)	9	9	8	7	9	-	-	-	89
PROGRAM 7:	8,454	6,565	5,421	5,628	6,192	4,582	4,680	4,917	5,371	4,073	1,937	5,517	63,337
PROGRAM 8:	2,468	1,547	764	1,087	2,160	1,846	1,615	1,498	1,033	1,915	1,254	2,027	19,214
PROGRAM 9:	26,628	25,475	26,051	21,364	26,868	22,188	32,712	21,005	25,086	27,992	22,925	20,271	298,565
PROGRAM 10:	3,397	532	536	550	459	464	385	592	681	431	459	239	8,725
COMMON COSTS	10,888	6,761	8,743	28,707	18,677	28,959	22,815	19,199	19,599	23,951	18,949	19,420	226,668
TOTAL	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090

SCHEDULE CT-2
PROJECTED CONSERVATION COSTS PER MONTH
JANUARY 2002 THROUGH DECEMBER 2002
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	110,696	129,444	96,988	95,180	92,778	82,983	122,441	111,277	86,630	147,572	146,038	146,805	1,368,832
PROGRAM 2:	528	1,089	860	982	1,333	1,362	1,317	17,380	1,369	27,312	27,001	3,756	84,289
PROGRAM 3:	23,373	21,349	25,642	28,811	23,563	16,311	16,087	21,278	18,682	23,102	22,207	22,653	263,058
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	9	9	34	(5)	9	9	8	7	256	170	156	163	825
PROGRAM 7:	8,454	6,565	5,421	5,628	6,192	4,582	4,680	4,917	4,563	5,102	4,918	5,009	66,031
PROGRAM 8:	2,468	1,547	764	1,087	2,160	1,846	1,615	1,498	1,945	1,734	1,627	1,680	19,971
PROGRAM 9:	26,628	25,475	26,051	21,364	26,868	22,188	32,712	21,005	21,815	26,157	24,334	25,244	299,841
PROGRAM 10:	3,397	532	536	550	459	464	385	592	11,597	8,910	8,695	9,803	45,920
COMMON COSTS	10,888	6,761	8,743	28,707	18,677	28,959	22,815	19,199	46,410	19,639	19,490	19,583	249,851
TOTAL	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	193,267	259,698	254,466	234,676	2,398,618
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	193,267	259,698	254,466	234,676	2,398,618

SCHEDULE CT-2
SUMMARY OF EXPENSES BY PROGRAM
VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	-	-	-	-	-	-	-	-	13,676	(54,003)	(54,170)	(25,766)	(120,263)
PROGRAM 2:	-	-	-	-	-	-	-	-	(904)	(26,144)	(26,018)	(2,951)	(56,017)
PROGRAM 3:	-	-	-	-	-	-	-	-	5,394	5,219	(7,760)	8,740	11,593
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	-	-	-	-	-	-	(247)	(170)	(156)	(163)	(736)
PROGRAM 7:	-	-	-	-	-	-	-	-	808	(1,029)	(2,981)	508	(2,694)
PROGRAM 8:	-	-	-	-	-	-	-	-	(912)	181	(373)	347	(757)
PROGRAM 9:	-	-	-	-	-	-	-	-	3,271	1,835	(1,409)	(4,973)	(1,276)
PROGRAM 10:	-	-	-	-	-	-	-	-	(10,916)	(8,479)	(8,236)	(9,564)	(37,195)
COMMON COSTS	-	-	-	-	-	-	-	-	(26,811)	4,312	(541)	(143)	(23,183)
TOTAL	-	-	-	-	-	-	-	-	(16,641)	(78,278)	(101,644)	(33,965)	(230,528)
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	-	-	-	-	-	(16,641)	(78,278)	(101,644)	(33,965)	(230,528)

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(185,501)	(183,497)	(172,018)	(132,498)	(124,757)	(128,309)	(126,298)	(129,135)	(119,736)	(121,672)	(140,124)	(153,898)	(1,697,443)
4 TOTAL REVENUES	(185,501)	(183,497)	(172,018)	(132,498)	(124,757)	(128,309)	(126,298)	(129,135)	(119,736)	(121,672)	(140,124)	(153,898)	(1,697,443)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,144)	(745,761)
CONSERVATION REVENUES													
6 APPLICABLE TO THE PERIOD	(247,648)	(225,644)	(234,165)	(194,645)	(186,904)	(190,456)	(188,445)	(191,282)	(181,883)	(183,819)	(202,271)	(216,042)	(2,443,204)
CONSERVATION EXPENSES													
7 (FROM CT-3, PAGE 1)	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090
8 TRUE-UP THIS PERIOD	(61,207)	(32,873)	(69,126)	(12,341)	(14,865)	(31,752)	13,615	5,871	(5,257)	(2,399)	(49,449)	(15,331)	(275,114)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(1,102)	(1,073)	(1,067)	(1,037)	(958)	(903)	(817)	(708)	(622)	(530)	(414)	(329)	(9,557)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(745,761)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,144	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	(284,671)	(284,671)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
1. INTEREST PROVISION													
1. BEGINNING TRUE-UP	(745,761)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	
2. ENDING TRUE-UP BEFORE INTEREST	(744,821)	(716,849)	(724,701)	(675,982)	(629,716)	(600,280)	(525,420)	(458,219)	(402,035)	(342,909)	(330,741)	(284,342)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,490,582)	(1,462,573)	(1,442,423)	(1,401,730)	(1,306,715)	(1,230,954)	(1,126,803)	(984,456)	(860,959)	(745,566)	(674,180)	(615,497)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(745,291)	(731,286)	(721,211)	(700,865)	(653,357)	(615,477)	(563,301)	(492,228)	(430,480)	(372,783)	(337,090)	(307,749)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(1,102)	(1,073)	(1,067)	(1,037)	(958)	(903)	(817)	(706)	(622)	(530)	(414)	(329)	(9,557)
10. a. INT. ADJ													

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: JANUARY 2004 THROUGH DECEMBER 2004
ACTUAL/ESTIMATED PERIOD: JANUARY 2003 THROUGH DECEMBER 2003
FINAL TRUE-UP PERIOD: JANUARY 2002 THROUGH DECEMBER 2002
COLLECTION PERIOD FOR PRIOR TRUE-UP: JANUARY 2004 THROUGH DECEMBER 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 3,527,051
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 12)	\$ (700,170)
3. TOTAL (LINE 1 AND 2)	<u>\$ 2,826,881</u>

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENERGY CHG REVENUES	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERVATION FACTOR
RESIDENTIAL (RS, ED & GL)	96,348	19,719,820	\$ 8,648,981	\$ 9,728,709	\$ 18,377,690	\$ 1,504,653	8.1874%	\$ 0.07630	1.00503	\$ 0.07669
COMMERCIAL (CS, ED & SCTS)	5,559	46,677,393	\$ 1,457,793	\$ 11,145,158	\$ 12,602,951	\$ 1,031,853	8.1874%	\$ 0.02211	1.00503	\$ 0.02222
COMMERCIAL LARGE VOLUME (LCS & CTS)	51	8,808,425	\$ 32,640	\$ 1,540,118	\$ 1,572,758	\$ 128,767	8.1873%	\$ 0.01462	1.00503	\$ 0.01469
INDUSTRIAL (IP & ITS)	<u>28</u>	<u>12,117,235</u>	<u>\$ 60,900</u>	<u>\$ 1,912,945</u>	<u>\$ 1,973,845</u>	<u>\$ 161,608</u>	8.1875%	\$ 0.01334	1.00503	\$ 0.01340
TOTAL	<u>101,986</u>	<u>87,322,873</u>	<u>\$ 10,200,314</u>	<u>\$ 24,326,930</u>	<u>\$ 34,527,244</u>	<u>\$ 2,826,881</u>				

PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
1. RESIDENTIAL BUILDER	\$ 187,729	\$ 186,130	\$ 188,527	\$ 187,729	\$ 186,929	\$ 187,729	\$ 187,729	\$ 187,729	\$ 187,729	\$ 187,914	\$ 185,596	\$ 187,914	\$ 2,249,384
2. MULTI-FAMILY RESIDENTIAL BLDR	4,351	4,231	4,410	4,351	4,291	4,351	4,351	4,351	4,351	4,357	4,185	4,357	\$ 51,937
3. APPLIANCE REPLACEMENT	33,671	32,109	34,450	33,671	32,889	33,671	33,671	33,671	33,671	33,971	31,692	33,973	\$ 401,110
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
6. RES PROPANE CONVERSION	355	322	371	355	339	355	355	355	355	357	310	354	\$ 4,183
7. RES WATER HEATER RETENTION	12,859	12,376	13,099	12,859	12,617	12,859	12,859	12,859	12,859	12,944	12,240	12,943	\$ 153,373
8. RES CUT AND CAP ALTERNATIVE	2,483	2,307	2,571	2,483	2,395	2,483	2,483	2,483	2,483	2,493	2,239	2,490	\$ 29,393
9. COMM/IND CONVERSION	27,886	25,601	29,727	27,886	26,742	28,586	27,886	27,886	28,586	28,150	24,838	28,849	\$ 332,623
10. COMM/IND ALTERNATIVE TECH. COMMON COSTS	5,029 20,044	4,939 19,840	6,274 20,147	5,029 20,044	4,984 19,942	6,229 20,044	5,029 20,044	5,029 20,044	6,229 20,044	5,046 20,056	4,915 19,762	6,245 20,060	\$ 64,977 \$ 240,071
TOTAL ALL PROGRAMS	\$ 294,407	\$ 287,855	\$ 299,576	\$ 294,407	\$ 291,128	\$ 296,307	\$ 294,407	\$ 294,407	\$ 296,307	\$ 295,288	\$ 285,777	\$ 297,185	\$ 3,527,051
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	\$ 294,407	\$ 287,855	\$ 299,576	\$ 294,407	\$ 291,128	\$ 296,307	\$ 294,407	\$ 294,407	\$ 296,307	\$ 295,288	\$ 285,777	\$ 297,185	\$ 3,527,051

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER	\$ -	\$ 207,611	\$ -	\$ 9,600	\$ 2,024,400	\$ -	\$ 7,772	\$ -	\$ 2,249,383
2. MULTI-FAMILY RESIDENTIAL BLDR	-	15,457	-	-	36,000	-	480	-	51,937
3. APPLIANCE REPLACEMENT	-	203,084	-	72,000	120,000	-	6,027	-	401,111
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	4,183	-	-	-	-	-	-	4,183
7. RES WATER HEATER RETENTION	-	62,775	-	-	88,800	-	1,798	-	153,373
8. RES CUT AND CAP ALTERNATIVE	-	22,841	-	-	6,000	-	552	-	29,393
9. COMM/IND CONVERSION	-	296,756	-	2,800	24,000	-	9,067	-	332,623
10. COMM/IND ALTERNATIVE TECH. COMMON COSTS	-	11,712	-	4,800	48,000	-	465	-	64,977
	-	26,471	-	180,000	-	33,600	-	-	240,071
TOTAL ALL PROGRAMS	-	850,890	-	269,200	2,347,200	33,600	26,161	-	3,527,051
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENDITURES	\$ -	\$ 850,890	\$ -	\$ 269,200	\$ 2,347,200	\$ 33,600	\$ 26,161	\$ -	\$ 3,527,051

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER									
A. ACTUAL (8 months)	\$ -	\$ 118,458	\$ -	\$ 13,566	\$ 811,262	\$ -	\$ 6,028	\$ -	\$ 949,314
B. ESTIMATED (4 months)	-	59,229	-	2,900	406,600	-	3,600	-	472,329
C. TOTAL	-	177,687	-	16,466	1,217,862	-	9,628	-	1,421,643
2. MULTI-FAMILY RESIDENTIAL BLDR									
A. ACTUAL (8 months)	-	8,041	-	-	-	-	874	-	8,915
B. ESTIMATED (4 months)	-	9,728	-	-	-	-	446	-	10,174
C. TOTAL	-	17,769	-	-	-	-	1,320	-	19,089
3. APPLIANCE REPLACEMENT									
A. ACTUAL (8 months)	-	74,829	-	43,311	74,699	-	1,629	-	194,468
B. ESTIMATED (4 months)	-	55,602	-	24,000	45,500	-	2,047	-	127,149
C. TOTAL	-	130,431	-	67,311	120,199	-	3,676	-	321,617
4. DEALER PROGRAM									
A. ACTUAL (8 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (4 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS									
A. ACTUAL (8 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (4 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION									
A. ACTUAL (8 months)	-	-	-	-	1,475	-	-	-	1,475
B. ESTIMATED (4 months)	-	1,192	-	-	-	-	-	-	1,192
C. TOTAL	-	1,192	-	-	1,475	-	-	-	2,667
SUB-TOTAL	\$ -	\$ 327,079	\$ -	\$ 83,777	\$ 1,339,536	\$ -	\$ 14,624	\$ -	\$ 1,765,016

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$ -	\$ 327,079	\$ -	\$ 83,777	\$ 1,339,536	\$ -	\$ 14,624	\$ -	\$ 1,765,016
7. RES WATER HEATER RETENTION									
A. ACTUAL (8 months)	-	11,442	-	-	39,781	-	327	-	51,550
B. ESTIMATED (4 months)	-	16,675	-	-	26,700	-	450	-	43,825
C. TOTAL	-	28,117	-	-	66,481	-	777	-	95,375
8. RES CUT AND CAP ALTERNATIVE									
A. ACTUAL (8 months)	-	11,835	-	-	5,560	-	222	-	17,617
B. ESTIMATED (4 months)	-	6,789	-	-	1,900	-	262	-	8,951
C. TOTAL	-	18,624	-	-	7,460	-	484	-	26,568
9. COMM/IND CONVERSION									
A. ACTUAL (8 months)	-	185,294	-	-	8,026	-	5,760	-	199,080
B. ESTIMATED (4 months)	-	96,852	-	1,200	8,000	-	2,355	-	108,407
C. TOTAL	-	282,146	-	1,200	16,026	-	8,115	-	307,487
10. COMM/IND ALTERNATIVE TECH.									
A. ACTUAL (8 months)	-	3,304	-	10,341	-	-	327	-	13,972
B. ESTIMATED (4 months)	-	5,411	-	1,200	16,500	-	2,056	-	25,167
C. TOTAL	-	8,715	-	11,541	16,500	-	2,383	-	39,139
COMMON COSTS									
A. ACTUAL (8 months)	-	20,353	-	104,921	-	28,618	-	-	153,892
B. ESTIMATED (4 months)	-	8,171	130	60,000	-	11,200	-	-	79,501
C. TOTAL	-	28,524	130	164,921	-	39,818	-	-	233,393
TOTAL	\$ -	\$ 693,205	\$ 130	\$ 261,439	\$ 1,446,003	\$ 39,818	\$ 26,383	\$ -	\$ 2,466,978

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

DESCRIPTION	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
1. RESIDENTIAL BUILDER	\$ 111,202	\$ 110,495	\$ 108,894	\$ 91,795	\$ 146,909	\$ 118,079	\$ 131,594	\$ 130,346	\$ 148,369	\$ 108,759	\$ 106,441	\$ 108,760	1,421,643
2. MULTI-FAMILY RESIDENTIAL BLDG	1,210	1,622	1,272	1,574	1,158	746	589	744	6,273	1,358	1,185	1,358	19,089
3. APPLIANCE REPLACEMENT	41,770	25,983	15,995	16,457	24,941	23,626	25,591	20,105	46,279	27,717	25,437	27,718	321,619
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	125	-	-	550	-	300	500	168	357	310	357	2,667
7. RES WATER HEATER RETENTION	3,536	3,360	3,001	3,930	9,206	9,715	11,441	7,361	5,697	12,944	12,240	12,944	95,375
8. RES CUT AND CAP ALTERNATIVE	1,606	1,841	2,729	597	2,272	3,444	1,997	3,131	1,726	2,493	2,239	2,493	26,568
9. COMM/IND CONVERSION	28,198	20,680	24,462	27,183	24,430	25,179	26,331	22,617	26,569	28,150	24,838	28,850	307,487
10. COMM/IND ALTERNATIVE TECH.	1,380	9,767	395	429	547	452	597	405	8,960	5,046	4,915	6,246	39,139
COMMON COSTS	12,126	12,054	24,443	29,954	24,944	5,322	21,938	23,111	19,628	20,056	19,761	20,056	233,393
TOTAL ALL PROGRAMS	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	263,669	206,880	197,366	208,782	2,466,980
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RECOVERABLE	\$ 201,028	\$ 185,927	\$ 181,191	\$ 171,919	\$ 234,957	\$ 186,563	\$ 220,378	\$ 208,320	\$ 263,669	\$ 206,880	\$ 197,366	\$ 208,782	\$ 2,466,980

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

CONSERVATION REVENUES	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
1. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,585)	(189,152)	(214,611)	(221,611)	(224,200)	(271,349)	(2,875,597)
4. TOTAL REVENUES	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,585)	(189,152)	(214,611)	(221,611)	(224,200)	(271,349)	(2,875,597)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,718)	(284,671)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(363,545)	(367,676)	(280,959)	(241,000)	(225,612)	(227,635)	(214,308)	(212,875)	(238,334)	(245,334)	(247,923)	(295,067)	(3,160,268)
7. CONSERV. EXPS.	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	263,669	206,880	197,366	208,782	2,466,980
8. TRUE-UP THIS PERIOD	(162,517)	(181,749)	(99,768)	(69,081)	9,345	(41,072)	6,070	(4,555)	25,335	(38,454)	(50,557)	(86,285)	(693,288)
9. INTEREST PROV. THIS PERIOD	(379)	(528)	(627)	(675)	(689)	(627)	(574)	(574)	(544)	(530)	(548)	(588)	(6,882)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(284,671)	(423,844)	(582,398)	(659,069)	(705,102)	(672,723)	(690,699)	(661,480)	(642,886)	(594,372)	(609,633)	(637,015)	
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,718	284,671
12. TOTAL NET TRUE-UP	\$ (423,844)	\$ (582,398)	\$ (659,069)	\$ (705,102)	\$ (672,723)	\$ (690,699)	\$ (661,480)	\$ (642,886)	\$ (594,372)	\$ (609,633)	\$ (637,015)	\$ (700,170)	\$ (700,170)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

INTEREST PROVISION	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
1. BEGINNING TRUE-UP	\$ (284,671)	\$ (423,844)	\$ (582,398)	\$ (659,069)	\$ (705,102)	\$ (672,723)	\$ (690,699)	\$ (661,480)	\$ (642,886)	\$ (594,372)	\$ (609,633)	\$ (637,015)	
2. ENDING TRUE-UP BEFORE INTEREST	(423,465)	(581,870)	(658,443)	(704,427)	(672,034)	(690,072)	(660,906)	(642,312)	(593,828)	(609,103)	(636,467)	(699,582)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(708,136)	(1,005,714)	(1,240,841)	(1,363,497)	(1,377,137)	(1,362,795)	(1,351,605)	(1,303,793)	(1,236,714)	(1,203,475)	(1,246,099)	(1,336,597)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	\$ (354,068)	\$ (502,857)	\$ (620,420)	\$ (681,748)	\$ (688,568)	\$ (681,397)	\$ (675,802)	\$ (651,896)	\$ (618,357)	\$ (601,738)	\$ (623,050)	\$ (668,298)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.060%	1.060%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.060%	1.060%	1.060%	
7. TOTAL (SUM LINES 5 & 6)	2.560%	2.520%	2.430%	2.370%	2.400%	2.210%	2.050%	2.110%	2.120%	2.120%	2.120%	2.120%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.055%	1.060%	1.060%	1.060%	1.060%	
9. MONTHLY AVG INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.088%	0.088%	
10. INTEREST PROVISION	\$ (379)	\$ (528)	\$ (627)	\$ (675)	\$ (689)	\$ (627)	\$ (574)	\$ (574)	\$ (544)	\$ (530)	\$ (548)	\$ (588)	\$ (6,882)

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL BUILDER - PROGRAM 1

DESCRIPTION: The Residential Builder Program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy-efficient natural gas appliances in residences that would qualify for the RS rates. The program offers builders and developers incentives in the form of cash allowances to assist in defraying the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

Furnace	\$350
Water Heater	350
Range	100
Dryer	100
Triathlon	1200

REPORTING PERIOD: January 2003 through August 2003

APPLIANCES INSTALLED:

The Company connected 3,194 gas appliances during the period

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: MULTI-FAMILY RESIDENTIAL BUILDER - PROGRAM 2

DESCRIPTION: The Multi-Family Residential Builder Program is designed to increase overall energy efficiency in the multi-family new construction market by promoting energy-efficient natural gas in multi-unit residences qualifying for the Company's CS rates.

PROGRAM ALLOWANCES:

Per dwelling unit \$300

REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

Program costs for the period were \$8,915.

CITY GAS COMPANY OF FLORIDA
Schedule C-5
PROGRAM PROGRESS REPORT

NAME: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM 3

DESCRIPTION: The Residential Appliance Replacement Program is designed to promote the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. The Program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances

PROGRAM ALLOWANCES:

Furnace	\$625
Water Heater	525
Range	100
Dryer	100
Triathlon	1200

REPORTING PERIOD: January 2003 through August 2003

APPLIANCES INSTALLED:

The Company connected 220 gas appliances during the period

CITY GAS COMPANY OF FLORIDA
Schedule C-5
PROGRAM PROGRESS REPORT

NAME: GAS APPLIANCES IN SCHOOLS - PROGRAM 5

DESCRIPTION: The Gas Appliances in Schools Program is designed to promote natural gas appliances where cost-efficient, in Home Economic Departments in schools located in our Company's service area. The program provides teaching assistance on energy conservation and on the use, care, and safety of natural gas appliances through a Company-employed home economist.

REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

Program costs for the period were \$0.

CITY GAS COMPANY OF FLORIDA
Schedule C-5
PROGRAM PROGRESS REPORT

NAME: DEALER - PROGRAM 4

DESCRIPTION: The Dealer Program is designed to encourage the replacement of non-gas appliances with energy efficient natural gas appliances through appliance dealers and contractors. The program offers incentives to the dealers and contractors.

PROGRAM ALLOWANCES:

Furnace
Water Heater
Range
Dryer

REPORTING PERIOD: January 2003 through August 2003

APPLIANCES INSTALLED:

This program was discontinued in February 1998 with Order #PSC-98-0154-GOF-GU granting the new programs.

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL PROPANE CONVERSION - PROGRAM 6

DESCRIPTION: The Residential Propane Conversion Program is designed to promote the conversion of existing residential propane appliances to utilize efficient natural gas. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the conversion of their existing propane appliances to utilize natural gas.

PROGRAM ALLOWANCES:

Furnace	\$200
Water Heater	100
Dryer	25
Dryer	50

REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

The Company connected 10 gas appliances during the period.

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL WATER HEATER RETENTION - PROGRAM 7

DESCRIPTION: The Residential Water Heater Retention Program is designed to promote the retention of energy efficient natural gas water heaters in existing residential structures. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and installation of energy efficient natural gas appliances.

PROGRAM ALLOWANCES:

Water Heater	\$50
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REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

The Company retained 780 water heaters during the period.

CITY GAS COMPANY OF FLORIDA

Schedule C-5

PROGRAM PROGRESS REPORT

NAME: RESIDENTIAL CUT AND CAP - PROGRAM 8

DESCRIPTION: The Residential Cut and Cap Program is designed to encourage the re-activation of existing residential service lines that are scheduled to be cut off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and/or lease and the installation of energy efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service re-activation..... \$200

REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

The retained 27 accounts during the period.

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: COMMERCIAL/INDUSTRIAL CONVERSION - PROGRAM 9

DESCRIPTION: The Commercial/Industrial Conversion Program is designed to promote the conversion of commercial and industrial inefficient non-gas equipment to energy efficient natural gas. The program offers incentives in the form of cash allowances to existing commercial and industrial businesses located in existing structures, to assist in defraying the incremental first costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

PROGRAM ALLOWANCES:

Per 100,000 BTU input rating..... \$75

REPORTING PERIOD: January 2003 through August 2003

PROGRAM SUMMARY:

The Company converted 19 accounts during the period, with a combined BTU input rating of 11,898,666 BTUs.

CITY GAS COMPANY OF FLORIDA

**Schedule C-5
PROGRAM PROGRESS REPORT**

NAME: COMMERCIAL/INDUSTRIAL ALTERNATIVE TECHNOLOGY INCENTIVE - PROGRAM 10

DESCRIPTION: *The Commercial/Industrial Alternative Technology Incentive Program (ATI) is designed to encourage commercial and industrial business owners to install alternate technologies that utilize natural gas that are not covered by one of the other City Gas Energy Conservation Programs, but which cost-effectively reduce the total utility expense of the business. The program offers incentives based on the cost-effectiveness under a life-cycle analysis utilizing a computerized energy consumption simulation model.*

PROGRAM ALLOWANCES:

Payback period of three years subject to a maximum incentive of three times the projected incremental annualized margin.

REPORTING PERIOD: *January 2003 through August 2003*

PROGRAM SUMMARY:

Program costs for the period were \$13,972.

Docket No. 030004-GU

Exhibit _____ (BSB-1)

CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY TRUE-UP
January 1, 2002 through December 31, 2002

FLORIDA PUBLIC SERVICE COMMISSION *Comp. Ex.*
DOCKET
NO. 030004-GU EXHIBIT NO. 2
COMPANY/ Chesapeake Utilities Corp.
WITNESS: Brian S. Bilinski, BSB-1+2
DATE: 11-12-03

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SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation
Docket No. 030004-GU
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Page 1 of 17

ADJUSTED NET TRUE-UP
FOR MONTH JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPLE	146,682	
INTEREST	<u>2,542</u>	149,224

LESS PROJECTED TRUE-UP

PRINCIPLE	8,224	
INTEREST	<u>2,321</u>	<u>10,545</u>

ADJUSTED NET TRUE-UP		<u>138,679</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	410,668	283,064	127,604
MATERIALS & SUPPLIES	53,855	32,269	21,586
ADVERTISING	89,888	170,278	(80,390)
INCENTIVES	220,878	225,657	(4,780)
OUTSIDE SERVICES	78,432	7,400	71,032
VEHICLES	0	27,071	(27,071)
OTHER	0	50,744	(50,744)
SUB-TOTAL	853,720	796,483	57,237
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	853,720	796,483	57,237
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(707,038)	(788,259)	81,221
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	146,682	8,224	138,458
INTEREST PROVISION	2,542	2,321	221
END OF PERIOD TRUE-UP	149,224	10,545	138,679

() REFLECTS OVER-RECOVERY

* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	169,595	12,290	44,574	192,378	20,678	0	0	439,515
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	53,880	6,476	21,037	14,650	14,038	0	0	110,082
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	1,591	4,405	0	0	0	0	0	5,996
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	24,173	6,007	544	13,850	0	0	0	44,574
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	1,024	159	0	0	0	0	0	1,183
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	160,405	24,518	23,733	0	43,715	0	0	252,370
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL	0	410,668	53,855	89,888	220,878	78,432	0	0	853,720

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	64,757	6,026	(30,660)	(448)	20,595	(9,439)	(19,626)	31,206
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	16,122	3,401	(5,373)	(1,671)	6,804	(3,833)	(6,987)	8,464
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	(61)	4,405	0	0	0	(163)	(228)	3,953
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	1,633	4,276	544	(2,033)	0	(1,650)	(2,615)	155
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	704	(79)	0	0	0	(45)	(27)	553
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	44,449	3,557	(44,901)	(628)	43,632	(11,941)	(21,261)	12,906
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL	0	127,604	21,586	(80,390)	(4,780)	71,032	(27,071)	(50,744)	57,237

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH
 FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	24,722	23,399	56,480	41,429	49,369	25,472	30,136	37,379	32,514	45,117	44,788	28,712	439,515
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	6,244	3,981	17,381	7,603	9,058	6,509	14,572	7,007	4,248	10,921	7,057	15,501	110,082
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	422	0	0	722	111	100	109	0	0	388	0	4,145	5,996
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	3,545	8,970	4,852	1,868	2,910	9,377	2,014	3,335	948	2,866	2,325	1,565	44,574
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	42	0	0	0	221	0	0	159	249	252	259	0	1,183
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	14,909	18,287	30,474	26,431	24,734	18,239	20,154	17,763	13,552	24,765	18,628	24,434	252,370
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	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	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	(110,539)	(94,112)	(94,973)	(79,039)	(71,496)	(62,967)	(61,987)	(64,836)	(62,021)	(65,264)	(81,393)	(80,102)	(928,729)
4. TOTAL REVENUES	(110,539)	(94,112)	(94,973)	(79,039)	(71,496)	(62,967)	(61,987)	(64,836)	(62,021)	(65,264)	(81,393)	(80,102)	(928,729)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	221,691
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(92,065)	(75,638)	(76,499)	(60,565)	(53,022)	(44,493)	(43,513)	(46,362)	(43,547)	(46,790)	(62,919)	(61,628)	(707,038)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720
8. TRUE-UP THIS PERIOD	(42,181)	(21,001)	32,689	17,489	33,380	15,202	23,472	19,281	7,964	37,518	10,139	12,729	146,683
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	283	208	191	201	210	219	218	220	215	218	195	165	2,542
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	221,691	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	149,224	149,225

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	221,691	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	
2. ENDING TRUE-UP BEFORE INTEREST	161,036	121,844	136,266	135,472	150,579	147,517	152,733	153,758	143,467	162,727	154,609	149,059	
3. TOTAL BEGINNING & ENDING TRUE-UP	382,727	283,163	258,317	271,929	286,251	298,305	300,469	306,709	297,445	306,409	317,553	303,863	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	191,364	141,581	129,159	135,964	143,126	149,153	150,234	153,354	148,722	153,205	158,777	151,931	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	1.31%	
7. TOTAL (SUM LINES 5 & 6)	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.47%	3.41%	2.95%	2.61%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.78%	1.76%	1.78%	1.76%	1.76%	1.76%	1.74%	1.72%	1.74%	1.71%	1.48%	1.31%	
9. MONTHLY AVG INTEREST RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.12%	0.11%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	283	208	191	201	210	219	218	220	215	218	195	165	2,542

Exhibit No. _____ (BSB-1)
Docket No. 030004-GU
CHESAPEAKE UTILITIES CORPORATION
Page 9 of 17

Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit
Report for January 2002 through December 2002.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

Schedule CT-6
Page 1 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

This program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy efficient natural gas appliances in residences that would qualify for the Company's residential rates. Incentives are offered in the form of conservation allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances are currently:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Projections:

For the twelve-month period January 2002 through December 2002, we estimated that 442 homes would be connected to the system. During this period, allowances were actually paid for building 432 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$438,465.

Program Progress Summary:

Since the program's inception, 5,956 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.

Schedule CT-6
Page 2 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Appliance Replacement Program

Program Description:
This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered in the form of allowances to assist in defraying the additional cost associated with the installation of piping, venting and purchase of natural gas appliances.

Program Projections:
For the twelve-month period January 2002 through December 2002, we estimated that 54 residences would qualify for incentives during this period. In actuality, 53 residences qualified for incentives.

Program Fiscal Expenditures:
For this twelve-month period, CUC incurred program costs of \$110,082.

Program Summary:
Since inception, 194 residences have qualified for this program.

Schedule CT-6
Page 3 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Water Heater Retention Program

Program Description:

The Company offers this program to existing customers and dealers to encourage the continued use of natural gas in the home and avoid costly abandonment activities. The water heater is not only the primary natural gas cost savings appliance within the homes, but it is also the anchor natural gas load within the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash payment to the customer and dealer.

Allowances:

Conservation allowances are currently:

- \$100 Energy efficient natural gas water heater installation.
- \$ 50 Dealer

Program Activity and Projections:

For the twelve-month period January 2002 through December 2002, we estimated that 136 natural gas water heaters would qualify for this program. In actuality, 136 natural gas water heaters were installed.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$44,474.

Program Summary:

Since inception, 519 natural gas water heaters have been changed out and natural gas water heaters reinstalled. CUC will continue to work closely with homeowners and dealers to promote the continued use of energy efficient natural gas.

Schedule CT-6
Page 4 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes

Program Description:

This program is designed to convert residential customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce the summer KW demand and will assist in the conservation of KWH production.

Program Projections:

There were no expenses projected for the period.

Program Fiscal Expenditures:

Program cost totaled \$1,183 for this twelve-month period, to promote residential cooling and natural gas dessicant systems.

Program Summary:

Five residential gas space conditioning units have been installed since the inception of this program.

Schedule CT-6
Page 5 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Gas Space Conditioning Program

Program Description:
The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Projections:
There were no expenses projected for the period.

Program Fiscal Expenditures:
Program cost totaled \$0 for this twelve-month period.

Program Summary:
Seven natural gas space conditioning units have been installed since the inception of this program.

Schedule CT-6
Page 6 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Propane Distribution Program

Program Description:
The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:
Conservation allowances are currently:
 \$275 Energy efficient natural gas water heater installation.
 \$275 Natural Gas home heating.
 \$ 75 Energy efficient natural gas range or dryer stub outlet.

Program Fiscal Expenditures:
Program cost totaled \$5,996 for this twelve-month period, incurred by staff in response to builder/developer inquiries.

Program Summary:
One propane distribution sub-division has been added under this program since its inception.

Schedule CT-6
Page 7 of 8

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's utility bill.

Program Activity and Projections:

We continue to develop branded programs as well as expand community outreach programs designed to inform and educate the general public as well as business interest in the communities about the availability of our conservation programs, and the benefits and value of natural gas. Examples of these types of programs;

Energy Plus Home Program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings, associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Water Heater Retention Program, and the Space Conditioning for Residential Applications.*

Energy Plus Home Builder Program promotes the *Residential Home Builder Program* which purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

Energy Plus Partners Program is the new name of the Preferred Partners program that was launched in late 2001. The program works to remove market

Schedule CT-6
Page 8 of 8

barriers, expand consumer choice, and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowances programs. Examples of business entities that support the gas system and are potential partners for the gas company: builders, developers, retailers, HVAC providers, plumbers, and architects, to name but a few. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Water Heater Retention Program, Space Conditioning for Residential Applications, Residential Home Builder Program, and the Residential Propane Distribution Program*

Energy Smart Kids Program educates and engages young minds in an in-school setting. The classroom-based program provides posters, classroom activities, gas education booklets, pencils and teaching plan. A "school board" approved curriculum offers teaches a balanced five day lesson plan ending with an in-classroom demonstration featuring "Effie" the power station – a small working power generating engine that converts gas into electric. Energy conservation is the main theme of the program.

Program Fiscal Expenditures:

Program costs totaled \$253,520 for this twelve-month period.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation Cost Recovery

Docket No. 030004-GU

**PETITION OF THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION FOR APPROVAL OF
CONSERVATION COST RECOVERY FACTORS**

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION (the Company), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its conservation cost recovery factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2004 and December 31, 2004. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Chesapeake Utilities Corporation
Florida Division
1015 Sixth Street NW
P.O. Box 960
Winter Haven, Florida 33882-0960

2. The name and address of the person authorized to receive notices and communications in respect to this docket is:

Wayne L. Schiefelbein, Esquire
Of Counsel
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Dr.
Tallahassee, Florida 32301
(Ph) 850-877-6555
(Fax) 850-656-4029

Attorneys for Chesapeake Utilities Corporation, Florida Division

3. The conservation cost recovery factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are

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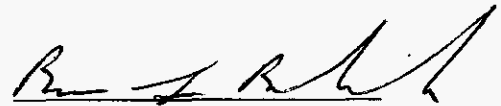
designed to recover the projected conservation program expenses of the Company for the period January 1, 2004 through December 31, 2004, adjusted for the net true-up (which includes the estimated conservation true-up for the period January 1, 2003 through December 31, 2003), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Brian S. Bilinski.

4. The Company projects total conservation program expenses, net of all program revenues, of \$936,772 for the period January 2004 through December 2004. The projected net true-up is an overrecovery of \$92,442. After adding the projected conservation expenses to the amount of this underrecovery, a total of \$844,330 remains to be recovered during the period January 1, 2004 through December 31, 2004. Dividing this total among the Company's rate classes, excluding customers who are on market-based rates, and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following conservation adjustment factors for which the Company seeks approval in this petition.

Rate Class	Adjustment Factor (cents per therm)
TS-1	12.762
TS-2	6.704
TS-3	4.020
TS-4	3.155
TS-5	2.807
TS-6	2.134
TS-7	1.333
TS-8	1.103
TS-9	.967

WHEREFORE, THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION prays the Commission will grant this petition, and approve the above conservation adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2004 and December 31, 2004, inclusive.

RESPECTFULLY submitted this 26th day of September 2003.



Brian S. Bilinski
Accounting and Rates Manager
Chesapeake Utilities Corporation
Florida Division
1015 Sixth Street NW
Winter Haven, Florida 33882
(863) 293-2125 x2913

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Natural Gas Conservation Cost Recovery

3 DIRECT TESTIMONY OF BRIAN S. BILINSKI

4 On behalf of

5 The Florida Division of Chesapeake Utilities Corporation

6 DOCKET NO. 030004-GU

7 Q. Please state your name, occupation, and business address.

8 A. My name is Brian S. Bilinski. I am the Accounting and Rates Manager of the Florida Division
9 of Chesapeake Utilities Corporation. My business address is 1015 6th Street, N. W., Winter
10 Haven, Florida 33881.

11 Q. Describe briefly your educational background and relevant professional background.

12 A. I have a Bachelor's of Science degree in Accounting from St. Peter's College in Jersey City,
13 New Jersey and a Master's in Business Administration from Stetson University in Deland,
14 Florida. I have been employed in the water and wastewater industry in Florida for over twenty
15 years. I was first employed by the Florida Division of Chesapeake Utilities Corporation in June
16 2002 as the Accounting and Rates Manager.

17 Q. Are you familiar with the energy conservation programs of the Company and costs which have
18 been, and are projected to be, incurred in their implementation?

19 A. Yes.

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

21 A. To describe generally the expenditures made and projected to be made in implementing,
22 promoting, and operating the Company's energy conservation programs. This will include
23 recoverable costs incurred in January through August 2003 and projections of program costs to
24 be incurred from September through December 2003. It will also include projected
25 conservation costs for the period January 2004 through December 2004, with a calculation of

1 the conservation adjustment factors to be applied to the customers' bills during the collection
2 period of January 1, 2004 through December 31, 2004.

3 Q. Have you prepared summaries of the Company's conservation programs and the costs
4 associated with these programs?

5 A. Yes. Summaries of the seven programs are contained in Schedule C-4 of Exhibit BSB-2.
6 Included are the Residential Home Builder Program, the Residential Appliance Replacement
7 Program, the Residential Propane Distribution Program, the Conservation Education Program,
8 the Natural Gas Space Conditioning for Residential Homes Program, the Gas Space
9 Conditioning Program, and the Residential Water Heater Retention Program.

10 Q. Have you prepared schedules that show the expenditures associated with the Company's energy
11 conservation programs for the periods you have mentioned?

12 A. Yes, Schedule C-3, Exhibit BSB-2 shows actual expenses for the months January through
13 August 2003. Projections for September through December 2003 are also shown on Schedule
14 C-3. Projected expenses for the January 2004 through December 2004 period are shown on
15 Schedule C-2 of Exhibit BSB-2.

16 Q. Have you prepared schedules that show revenues for the period January 2003 through
17 December 2003?

18 A. Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January through August
19 2003. Projections for September through December 2003 are also shown on Schedule C-3
20 (Page 4 of 5).

21 Q. Have you prepared a schedule that shows the calculation of the Company's proposed
22 conservation adjustment factors to be applied during billing periods from January 1, 2004
23 through December 31, 2004?

24 A. Yes. Schedule C-1 of Exhibit BSB-2 shows this calculation. Net program cost estimates for the
25 period January 1, 2004 through December 31, 2004 are used. The estimated true-up amount

1 from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit BSB-2, being an overrecovery, was
2 subtracted from the total of the projected costs for the twelve-month period. The total amount
3 was then divided among the Company's rate classes, excluding customers who are on market-
4 based rates, based on total projected contribution. The results were then divided by the
5 projected gas throughput for each rate class for the twelve-month period ending December 31,
6 2004. The resulting factors are shown on Schedule C-1 of Exhibit BSB-2.

7 Q. Does this conclude your testimony?

8 A. Yes, it does.

Docket No. 030004-GU

Exhibit _____ **(BSB-2)**

**THE FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY PROJECTION
JANUARY 1, 2004 THROUGH DECEMBER 31, 2004**

SCHEDULE C-1

Exhibit No. _____
 Docket No. 030004-GU
 Chesapeake Utilities Corp.
 (BSB-2)

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 JANUARY 2004 THROUGH DECEMBER 2004

1. INCREMENTAL COSTS (SCHEDULE C-2)	936,772
2. TRUE-UP (SCHEDULE C-3)	<u>(92,442)</u>
3. TOTAL	<u>844,330</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	PEREXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
TS-1	127,972	2,392,690	1,603,960	1,054,528	2,658,488	303,826	11.4285%	0.1270	1.00503	0.12762
TS-2	11,748	1,113,782	323,070	326,961	650,031	74,289	11.4285%	0.0667	1.00503	0.06704
TS-3	4,000	1,750,250	170,000	442,551	612,551	70,006	11.4285%	0.0400	1.00503	0.04020
TS-4	1,597	1,645,000	87,835	364,068	451,903	51,646	11.4285%	0.0314	1.00503	0.03155
TS-5	456	1,012,000	57,000	190,273	247,273	28,260	11.4285%	0.0279	1.00503	0.02807
TS-6	240	1,241,000	48,000	182,539	230,539	26,347	11.4285%	0.0212	1.00503	0.02134
TS-7	528	8,640,000	158,400	844,465	1,002,865	114,613	11.4285%	0.0133	1.00503	0.01333
TS-8	108	6,140,000	54,000	535,586	589,586	67,381	11.4285%	0.0110	1.00503	0.01103
TS-9	84	11,225,000	58,800	885,876	944,676	107,963	11.4285%	0.0096	1.00503	0.00967
TOTAL	146,733	35,159,722	2,561,065	4,826,846	7,387,911	844,330	11.4285%	0.0240	1.00503	0.02413

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL HOME BUILDER	0	202,760	0	0	252,000	3,000	0	0	457,760
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)	0	97,399	0	0	12,000	3,000	0	0	112,399
3. RESIDENTIAL PROPANE DISTRIBUTION	0	43,880	0	0	9,000	3,000	0	0	55,880
4. RESIDENTIAL WATER HEATER RETENTION (908G)	0	45,143	0	0	9,000	3,000	0	0	57,143
5. NG SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
6. GAS SPACE CONDITIONING	0	0	0	0	2,700	0	0	0	2,700
7. EDUCATION	0	181,410	0	66,480	0	3,000	0	0	250,890
8. COMMON COSTS	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	0	570,592	0	66,480	284,700	15,000	0	0	936,772
LESS: AMOUNT IN RATE BASE	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSER.	0	570,592	0	* 66,480	284,700	15,000	0	0	936,772

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL HOME BUILDER									
A. ACTUAL	0	120,720	8,887	31,046	71,275	21,603	0	0	253,531
B. ESTIMATED	0	68,925	0	0	70,275	0	0	0	139,200
C. TOTAL	0	189,645	8,887	31,046	141,550	21,603	0	0	392,731
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)									
A. ACTUAL	0	44,371	500	17,715	3,980	8,958	0	0	75,525
B. ESTIMATED	0	31,269	2,738	0	4,731	0	0	0	38,738
C. TOTAL	0	75,640	3,238	17,715	8,711	8,958	0	0	114,263
3. RESIDENTIAL PROPANE DISTRIBUTION (908F)									
A. ACTUAL	0	10,507	476	396	0	469	0	0	11,849
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	10,507	476	396	0	469	0	0	11,849
4. RESIDENTIAL WATER HEATER RETENTION (908G)									
A. ACTUAL	0	9,227	0	1,782	4,600	1,118	0	0	16,728
B. ESTIMATED	0	16,603	1,000	0	3,371	0	0	0	20,974
C. TOTAL	0	25,830	1,000	1,782	7,971	1,118	0	0	37,702
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES (908D)									
A. ACTUAL	0	817	0	0	0	0	0	0	817
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	817	0	0	0	0	0	0	817
6. GAS SPACE CONDITIONING (908B)									
A. ACTUAL	0	152	0	0	0	0	0	0	152
B. ESTIMATED	0	0	0	0	4,500	0	0	0	4,500
C. TOTAL	0	152	0	0	4,500	0	0	0	4,652
7. EDUCATION (908A)									
A. ACTUAL	0	75,465	6,022	18,587	0	30,556	0	0	130,631
B. ESTIMATED	0	53,162	8,519	9,320	0	0	0	0	71,001
C. TOTAL	0	128,627	14,541	27,907	0	30,556	0	0	201,632
8 COMMON COST									
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 COSTS	0	431,219	28,142	78,847	162,732	62,706	0	0	763,646

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR PERIOD: JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS PROJECTED

DESCRIPTION	MONTH JAN	MONTH FEB	MONTH MAR	MONTH APR	MONTH MAY	MONTH JUN	MONTH JUL	MONTH AUG	MONTH SEP	MONTH OCT	MONTH NOV	MONTH DEC	TOTAL
1. HOME BUILDER PROGRAM	31,293	21,007	25,999	43,416	27,543	35,078	17,471	51,723	34,800	34,800	34,800	34,799	392,731
2. RES. APPLIANCE REPLACEMENT	8,265	9,942	9,913	10,965	6,303	8,640	5,954	15,543	9,685	9,685	9,683	9,685	114,263
3. RES PROPANE DISTRIBUTION	0	2,830	5,109	919	1,230	514	779	467	0	0	0	0	11,849
4. RES WATER HEATER RETENTION	1,712	2,133	1,236	1,794	1,803	1,249	3,350	3,450	5,243	5,243	5,244	5,243	37,702
5. NG SPACE CONDITIONING	249	396	0	0	55	0	118	0	0	0	0	0	817
6. GAS SPACE CONDITIONING	0	0	0	70	82	0	0	0	0	4,500	0	0	4,652
7. EDUCATION	19,323	21,389	22,043	20,568	11,959	7,685	11,817	15,847	17,751	17,750	17,750	17,751	201,632
8. COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	60,842	57,697	64,300	77,733	48,975	53,166	39,490	87,030	67,479	71,978	67,477	67,478	763,646
LESS:													
BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RECOVERABLE	60,842	57,697	64,300	77,733	48,975	53,166	39,490	87,030	67,479	71,978	67,477	67,478	763,646

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD: JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

CONSERVATION REVS	MONTH JAN	MONTH FEB	MONTH MAR	MONTH APR	MONTH MAY	MONTH JUN	MONTH JUL	MONTH AUG	MONTH SEP	MONTH OCT	MONTH NOV	MONTH DEC	TOTAL
1. RCS AUDIT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROG. REVS.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS.	(138,240)	(134,145)	(83,145)	(86,624)	(75,122)	(55,524)	(51,275)	(49,736)	(65,941)	(64,069)	(90,572)	(110,681)	(1,005,074)
4. TOTAL REVENUES	(138,240)	(134,145)	(83,145)	(86,624)	(75,122)	(55,524)	(51,275)	(49,736)	(65,941)	(64,069)	(90,572)	(110,681)	(1,005,074)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	12,435	12,436	12,435	12,435	12,435	12,435	12,435	12,435	12,435	12,435	12,435	12,435	149,225
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(125,804)	(121,709)	(70,709)	(74,189)	(62,687)	(43,089)	(38,840)	(37,300)	(53,506)	(51,634)	(78,137)	(98,246)	(855,848)
7. CONSERV. EXPS.	60,842	57,697	64,300	77,733	48,975	53,166	39,490	87,030	67,479	71,978	67,477	67,478	763,644
8. TRUE-UP THIS PERIOD	(64,962)	(64,012)	(6,409)	3,544	(13,712)	10,077	650	49,730	13,974	20,344	(10,660)	(30,768)	(92,203)
9. INTER. PROVISION THIS PERIOD	118	35	(14)	(28)	(45)	(55)	(57)	(47)	(30)	(25)	(31)	(59)	(238)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	149,225	71,946	(4,466)	(23,325)	(32,244)	(58,437)	(60,850)	(72,693)	(35,446)	(33,937)	(26,053)	(49,180)	149,225
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(12,435)	(149,225)
12. TOTAL NET TRUE-UP	71,946	(4,466)	(23,325)	(32,244)	(58,437)	(60,850)	(72,693)	(35,446)	(33,937)	(26,053)	(49,180)	(92,442)	(92,442)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS PROJECTED

INTEREST PROVISION	MONTH JAN	MONTH FEB	MONTH MAR	MONTH APR	MONTH MAY	MONTH JUN	MONTH JUL	MONTH AUG	MONTH SEP	MONTH OCT	MONTH NOV	MONTH DEC	TOTAL
1. BEGINNING TRUE-UP	149,225	71,946	(4,466)	(23,325)	(32,244)	(58,437)	(60,850)	(72,693)	(35,446)	(33,937)	(26,053)	(49,180)	
2. ENDING TRUE-UP BEFORE INTEREST	<u>71,828</u>	<u>(4,501)</u>	<u>(23,310)</u>	<u>(32,216)</u>	<u>(58,391)</u>	<u>(60,795)</u>	<u>(72,636)</u>	<u>(35,398)</u>	<u>(33,908)</u>	<u>(26,028)</u>	<u>(49,148)</u>	<u>(92,383)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	221,053	67,445	(27,776)	(55,541)	(90,636)	(119,232)	(133,486)	(108,091)	(69,353)	(59,965)	(75,201)	(141,562)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>110,526</u>	<u>33,722</u>	<u>(13,888)</u>	<u>(27,771)</u>	<u>(45,318)</u>	<u>(59,616)</u>	<u>(66,743)</u>	<u>(54,046)</u>	<u>(34,677)</u>	<u>(29,983)</u>	<u>(37,601)</u>	<u>(70,781)</u>	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	1.31%	1.26%	1.25%	1.22%	1.19%	1.21%	1.00%	1.05%	1.06%	1.00%	1.00%	1.00%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	<u>1.26%</u>	<u>1.25%</u>	<u>1.22%</u>	<u>1.19%</u>	<u>1.21%</u>	<u>1.00%</u>	<u>1.05%</u>	<u>1.06%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	
7. TOTAL (SUM LINES 5 & 6)	<u>2.57%</u>	<u>2.51%</u>	<u>2.47%</u>	<u>2.41%</u>	<u>2.40%</u>	<u>2.21%</u>	<u>2.05%</u>	<u>2.11%</u>	<u>2.06%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	1.29%	1.26%	1.23%	1.20%	1.20%	1.11%	1.03%	1.05%	1.03%	1.00%	1.00%	1.00%	
9. MONTHLY AVG INTEREST RATE	0.11%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.08%	0.08%	0.08%	
10. INTEREST PROVISION	<u>118</u>	<u>35</u>	<u>(14)</u>	<u>(28)</u>	<u>(45)</u>	<u>(55)</u>	<u>(57)</u>	<u>(47)</u>	<u>(30)</u>	<u>(25)</u>	<u>(31)</u>	<u>(59)</u>	<u>(238)</u>

Schedule C-4
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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

This program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy efficient natural gas appliances in residences that would qualify for the Company's residential rates. Incentives are offered in the form of gas piping and venting allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances are currently:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:

During the eight-month period January 2003 through August 2003, 347 residences qualified under the Residential Home Builder Program. We estimate 283 new homes will qualify during the period September 2003 through December 2003.

Program Fiscal Expenditures:

For the eight-month period January 2003 through August 2003, CUC incurred costs of \$253,531 for the Residential Home Builder Program. For September 2003 through December 2003, costs are estimated to be \$139,200.

Schedule C-4
Page 2 of 7

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered in the form of allowances to assist in defraying the additional costs associated with the piping and venting of natural gas equipment.

Allowance:

Conservation allowance is currently:

- \$330.00 Energy Efficient Water Heater Installation
- \$330.00 Natural Gas Home Heating System
- \$ 50.00 Energy-efficient gas range
- \$ 50.00 Natural Gas Clothes Dryer

Program Activity and Projections:

During the eight-month period January 2003 through August 2003, 67 residences qualified under the Residential Appliance Replacement Program. We estimate an additional 53 residences will qualify for incentives during the period September 2003 through December 2003.

Program Fiscal Expenditures:

For the eight-month period January 2003 through August 2003, CUC incurred costs of \$75,525 for the Residential Appliance Replacement Program. During September 2003 through December 2003 costs are estimated to be \$38,738.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:

Conservation allowances are currently:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:

During this year we intend to produce promotional materials aimed at the builder market in order to educate and inform as to the values of a propane distribution system.

Program Fiscal Expenditures:

For the eight-month period January 2003 through August 2003, CUC incurred costs of \$11,849 for the Residential Propane Distribution Program.

Schedule C-4
Page 4 of 7

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Conservation Education Program

Program Description:
The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's overall energy cost.

Program Activity and Projections:
We have created community outreach programs designed to inform and educate the general public as well as business interest in the communities we serve as to the value of natural gas and the availability of our conservation allowance programs. Examples of these types of programs: energy plus home builders program, energy plus partners program, appliance retention programs, and energy smart kids. .

Program Fiscal Expenditures:
During the eight-month period January 2003 through August 2003, CUC incurred program costs of \$130,631 for this program. For September 2003 through December 2003, expenditures are estimated to be \$71,001 for this program.

Schedule C-4
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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Activity and Projections:

For the eight-month period January 2003 through August 2003, CUC didn't pay any allowances on this program. Minimal activity is projected in this program for the remainder of 2003.

Program Fiscal Expenditures:

For the eight-month period January 2003 through August 2003, CUC incurred costs of \$817 for the Natural Gas Space Conditioning for Residential Homes Program.

Schedule C-4
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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Activity and Projections:

For the eight-month period January 2003 through August 2003, CUC didn't pay any allowances on this program.

Program Fiscal Expenditures:

For the eight-month period January 2003 through August 2003, CUC incurred \$152 for the Gas Space Conditioning Program. For September 2003 through December 2003, expenditures are estimated to be \$4,500 for this program.

Schedule C-4
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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Water Heater Retention Program

Program Description:
The Company offers this program to existing customers and dealers to encourage the continued use of natural gas in the home and avoid costly abandonment activities. The water heater is not only the primary natural gas cost savings appliance within the homes, but it is also the anchor natural gas load within the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash payment to the customer and dealer.

Allowances:
Conservation allowances are currently:
 \$100 Energy efficient natural gas water heater installation.
 \$ 50 Dealer

Program Activity and Projections:
For the eight-month period January 2003 through August 2003, CUC paid allowances on 111 water heaters. We estimate we will pay allowances on 45 additional water heaters during the period of September 2003 through December 2003.

Program Fiscal Expenditures:
For the eight-month period January 2003 through August 2003, CUC incurred program costs of \$16,728 for this program. For September 2003 through December 2003, expenditures totaling \$20,974 are anticipated.

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1
PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-02 THROUGH December-02

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-02 THROUGH December-02		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>121,798</u>	
5.	INTEREST	<u>1,550</u>	<u>123,348</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-01 (DATE) HEARINGS		
8.	PRINCIPAL	<u>9,744</u>	
9.	INTEREST	<u>1,200</u>	<u>10,944</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>112,404</u>

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 030004-GU EXHIBIT NO. Comp. Ex. 3
COMPANY/ EPUC
WITNESS: Robert L. Smith-RLS-1+2
DATE: 11-12-03

DOCUMENT NUMBER-DATE

05741 JUN 27 8

FPSC-COMMISSION CLERK

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 1 OF 3

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-02	THROUGH	December-02	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	107,654		105,333	2,321
2.	Advertisement	272,744		266,930	5,814
3.	Legal	3,666			3,666
4.	Outside Services	43,314		69,028	(25,714)
5.	Vehicle	3,047		17,900	(14,853)
6.	Materials & Supplies	19,249		42,767	(23,518)
7.	Travel	2,695			2,695
8.	General & Administrative	20,570			20,570
9.	Incentives	1,313,280		1,211,855	101,425
10.	Other	969		12,366	(11,397)
11.	SUB-TOTAL	1,787,188		1,726,179	61,009
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	<u>1,787,188</u>		<u>1,726,179</u>	<u>61,009</u>
14.	LESS: PRIOR PERIOD TRUE-UP	(283,183)		(283,183)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	1,948,573		1,999,618	(51,045)
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	<u>121,798</u>		<u>9,744</u>	<u>112,054</u>
19.	ADD INTEREST PROVISION	1,550		1,200	350
20.	END OF PERIOD TRUE-UP	<u>123,348</u>		<u>10,944</u>	<u>112,404</u>

() REFLECTS OVERRECOVERY

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SCHEDULE CT-2
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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-02 THROUGH December-02

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res. New Construction	8,541	20,892		9,922		6,271		5,800	853,960	50	905,436		905,436
2. Residential Appliance Replacement	3,500	6,904							62,794		73,198		73,198
3. Conservation Education	284	8,001		288		1,898		361			10,832		10,832
4. Space Conditioning	1,027	480							28,450	263	30,220		30,220
5. Residential Conservation Service	1,582	1,984		12,075		2,346			76		18,063		18,063
6. Residential Appliance Retention	4,882	4,588							368,000		377,470		377,470
10. Commercial Conservation Service	4,849			12,026		3,283				91	20,249		20,249
13. Residential Service Reactivation		1,813									1,813		1,813
14. Common	82,989	228,082	3,666	9,003	3,047	5,451	2,695	14,409		565	349,907		349,907
15.													
16.													
17.													
18.													
19.													
20.													
TOTAL ALL PROGRAMS	107,654	272,744	3,666	43,314	3,047	19,249	2,695	20,570	1,313,280	969	1,787,188		1,787,188

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SCHEDULE CT-2
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CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-02 THROUGH December-02

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL		OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res. New Construction	(6,439)	(3,204)		(7,010)	(2,210)	(9,320)		5,800	116,829	(1,210)	93,336	93,336
2. Residential Appliance Replacement	(10,640)	(3,292)		(610)	(1,220)	(2,620)			4,010	(820)	(15,192)	(15,192)
3. Conservation Education	(3,410)	(1,582)		(1,181)	(510)	(4,691)		361		(820)	(11,833)	(11,833)
4. Space Conditioning	(1,933)	(810)		(1,760)	(810)	(810)			(1,690)	(147)	(7,960)	(7,960)
5. Residential Conservation Service	(448)	(3,820)		1,710	(1,220)	316				(610)	(4,072)	(4,072)
6. Residential Appliance Retention	1,272	(3,604)		(1,230)	(820)	(2,930)			(12,014)	(820)	(20,146)	(20,146)
10. Commercial Conservation Service	1,969	(3,600)		244	(1,240)	973				(389)	(2,043)	(2,043)
13. Residential Service Reactivation		(2,110)				(880)			(5,810)		(8,800)	(8,800)
14. Common	21,950	27,836	3,666	(15,877)	(6,823)	(3,556)	2,695	14,409		(8,581)	37,719	37,719
15.												
16.												
17.												
18.												
19.												
20.												
TOTAL ALL PROGRAMS	2,321	5,814	3,666	(25,714)	(14,853)	(23,518)	2,695	20,570	101,425	(11,397)	61,009	61,009

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 1 OF 3

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

FOR MONTHS January-02 THROUGH December-02

A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Res. New Construction	38,123	57,427	98,692	35,768	128,387	108,366	44,569	29,968	105,341	76,916	60,517	121,362	905,436
2.	Residential Appliance Replacement	7,429	3,560	8,660	6,770	5,520	2,130	4,091	7,430	7,139	6,489	6,359	7,621	73,198
3.	Conservation Education	900	4,914	294	206	521	206	577	686	206	206	1,210	906	10,832
4.	Space Conditioning	25,000	350			1,200		1,200	830	350	279	393	618	30,220
5.	Residential Conservation Service	2,040	3,834	2,190	360	62	2,155	76	480		1,734	3,955	1,177	18,063
6.	Residential Appliance Retention	42,480	35,723	30,060	32,200	25,137	22,050	30,986	26,380	27,300	31,356	39,710	34,088	377,470
10.	Commercial Conservation Service	1,203	1,203	1,203	1,202	1,203	2,273	1,203	1,200	1,203	2,468	3,915	1,973	20,249
13.	Residential Service Reactivation	900	913											1,813
14.	Common	12,220	27,429	14,466	25,715	37,703	18,885	24,027	19,244	12,383	41,878	60,460	55,497	349,907
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	130,295	135,353	155,565	102,221	199,733	156,065	106,729	86,218	153,922	161,326	176,519	223,242	1,787,188
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	130,295	135,353	155,565	102,221	199,733	156,065	106,729	86,218	153,922	161,326	176,519	223,242	1,787,188

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 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS January-02 THROUGH December-02

SCHEDULE CT-3
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B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	248,662	197,855	204,749	164,108	131,766	129,043	123,033	107,306	125,806	125,240	151,825	239,180	1,948,573
3. TOTAL REVENUES	248,662	197,855	204,749	164,108	131,766	129,043	123,033	107,306	125,806	125,240	151,825	239,180	1,948,573
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(23,594)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(23,599)	(283,183)
5. CONSERVATION REVENUE APPLICABLE	225,068	174,256	181,150	140,509	108,167	105,444	99,434	83,707	102,207	101,641	128,228	215,581	1,665,390
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	130,295	135,353	155,565	102,221	199,733	156,065	106,729	86,218	153,922	161,326	176,519	223,242	1,787,188
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	94,773	38,903	25,585	38,288	(91,566)	(50,621)	(7,295)	(2,511)	(51,715)	(59,685)	(48,293)	(7,661)	(121,798)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(331)	(196)	(116)	(34)	(38)	(108)	(114)	(86)	(92)	(137)	(156)	(142)	(1,550)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(283,183)	(165,147)	(102,841)	(53,773)	8,080	(59,925)	(87,055)	(70,865)	(49,863)	(78,071)	(114,294)	(139,144)	(283,183)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	23,594	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	283,183
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(165,147)	(102,841)	(53,773)	8,080	(59,925)	(87,055)	(70,865)	(49,863)	(78,071)	(114,294)	(139,144)	(123,348)	(123,348)

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 CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE CT-3
 PAGE 3 OF 3

FOR MONTHS January-02 THROUGH December-02

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(283,183)	(165,147)	(102,841)	(53,773)	8,080	(59,925)	(87,055)	(70,865)	(49,863)	(78,071)	(114,294)	(139,144)	(283,183)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(164,816)	(102,645)	(53,657)	8,114	(59,887)	(86,947)	(70,751)	(49,777)	(77,979)	(114,157)	(138,988)	(123,206)	(121,798)
3. TOTAL BEG. AND ENDING TRUE-UP	(447,999)	(267,792)	(156,498)	(45,659)	(51,807)	(146,872)	(157,806)	(120,642)	(127,842)	(192,228)	(253,282)	(262,350)	(404,981)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(224,000)	(133,896)	(78,249)	(22,830)	(25,904)	(73,436)	(78,903)	(60,321)	(63,921)	(96,114)	(126,641)	(131,175)	(202,491)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	1.29%	
7. TOTAL (LINE C-5 + C-6)	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.47%	3.41%	2.95%	2.59%	
8. AVG. INTEREST RATE (C-7 X 50%)	1.78%	1.76%	1.78%	1.78%	1.76%	1.76%	1.74%	1.72%	1.74%	1.71%	1.48%	1.30%	
9. MONTHLY AVERAGE INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(331)	(196)	(116)	(34)	(38)	(108)	(114)	(86)	(92)	(137)	(156)	(142)	(1,550)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-02 THROUGH December-02

PROGRAM NAME:	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-02 THROUGH December-02

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2004 THROUGH DECEMBER 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,178,300
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(139,864)
3. TOTAL (LINE 1 AND LINE 2)	2,038,436

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	514,599	10,849,690	4,116,792	3,635,948	7,752,740	963,255	12.42470%	0.08878	1.00503	0.08923
COMMERCIAL SMALL (General Service & GS Transportation)	40,736	12,979,770	611,040	2,792,338	3,403,378	422,859	12.42470%	0.03258	1.00503	0.03274
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	13,445	30,019,240	605,025	4,645,177	5,250,202	652,322	12.42470%	0.02173	1.00503	0.02184
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	12.42470%	0.02173	1.00503	0.02184
TOTAL	568,780	53,848,700	5,332,857	11,073,463	16,406,320	2,038,436				

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 FLORIDA PUBLIC UTILITIES COMPANY
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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
1 Full House Res. New Construction	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	885,600
2 Resid. Appliance Replacement	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,860	10,860	130,300
3 Conservation Education	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
4 Space Conditioning	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	33,300
5 Residential Conservation Service	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	34,500
6 Residential Appliance Retention	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,035	37,035	444,400
10 Commercial Conservation	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,665	2,665	32,000
13 Res. Service Reactivation	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	23,400
14 Common	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,815	45,815	549,800
TOTAL ALL PROGRAMS	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	2,178,300

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction	0	60,000	27,400	60,000	705,000	26,200	0	7,000	885,600
2 Resid. Appliance Replacement	0	42,000	7,700	13,800	60,000	1,800	0	5,000	130,300
3 Conservation Education	0	10,000	16,000	9,600	0	4,400	0	5,000	45,000
4 Space Conditioning	0	12,000	2,400	2,400	10,000	3,500	0	3,000	33,300
5 Residential Conservation Service	0	6,000	6,000	11,300	1,200	5,000	0	5,000	34,500
6 Residential Appliance Retention	0	42,000	8,600	14,200	370,000	3,600	0	6,000	444,400
10 Commercial Conservation	0	8,400	3,600	10,500	0	5,500	0	4,000	32,000
13 Res. Service Reactivation	0	9,600	2,600	6,200	5,000	0	0	0	23,400
14 Common	0	126,900	20,000	274,900	0	43,800	54,200	30,000	549,800
PROGRAM COSTS	0	316,900	94,300	402,900	1,151,200	93,800	54,200	65,000	2,178,300

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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 Full House Res. New Construction									
A. ACTUAL	0	20,182	14,764	74,204	375,030	28,981	6,131	470	519,762
B. ESTIMATED	0	20,000	9,130	20,000	260,010	8,730	0	2,330	320,200
C. TOTAL	0	40,182	23,894	94,204	635,040	37,711	6,131	2,800	839,962
2 Resid. Appliance Replacement									
A. ACTUAL	0	6,717	0	1,930	34,966	0	0	0	43,613
B. ESTIMATED	0	14,000	2,570	4,600	20,000	600	0	1,670	43,440
C. TOTAL	0	20,717	2,570	6,530	54,966	600	0	1,670	87,053
3 Conservation Education									
A. ACTUAL	0	0	1,660	21,095	0	0	0	0	22,755
B. ESTIMATED	0	3,330	5,330	3,200	0	1,470	0	1,670	15,000
C. TOTAL	0	3,330	6,990	24,295	0	1,470	0	1,670	37,755
4 Space Conditioning									
A. ACTUAL	0	3,243	1,140	1,025	0	21,840	0	0	27,248
B. ESTIMATED	0	4,000	800	800	14,000	1,740	0	1,000	22,340
C. TOTAL	0	7,243	1,940	1,825	14,000	23,580	0	1,000	49,588
5 Residential Conservation Service									
A. ACTUAL	0	4,183	0	50	0	1,455	0	0	5,688
B. ESTIMATED	0	2,000	2,000	3,770	400	4,660	0	1,670	14,500
C. TOTAL	0	6,183	2,000	3,820	400	6,115	0	1,670	20,188
6 Residential Appliance Retention									
A. ACTUAL	0	9,931	0	6,680	207,895	0	0	0	224,506
B. ESTIMATED	0	14,000	2,870	4,730	136,660	1,200	0	2,000	161,460
C. TOTAL	0	23,931	2,870	11,410	344,555	1,200	0	2,000	385,966
SUB-TOTAL	0	101,586	40,264	142,084	1,048,961	70,676	6,131	10,810	1,420,512

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	101,586	40,264	142,084	1,048,961	70,676	6,131	10,810	1,420,512
10 Commercial Conservation									
A. ACTUAL	0	13,689	1,371	616	15	1,340	0	15	17,046
B. ESTIMATED	0	2,800	1,200	3,500	0	4,830	0	1,330	13,660
C. TOTAL	0	16,489	2,571	4,116	15	6,170	0	1,345	30,706
13 Res. Service Reactivation									
A. ACTUAL	0	0	0	900	0	0	0	0	900
B. ESTIMATED	0	3,190	870	2,070	6,670	0	0	0	12,800
C. TOTAL	0	3,190	870	2,970	6,670	0	0	0	13,700
14 Common									
A. ACTUAL	0	69,581	13,989	244,526	0	8,774	4,692	780	342,342
B. ESTIMATED	0	42,300	6,670	91,620	0	14,600	18,070	10,000	183,260
C. TOTAL	0	111,881	20,659	336,146	0	23,374	22,762	10,780	525,602
TOTAL	0	233,146	64,364	485,316	1,055,646	100,220	28,893	22,935	1,990,520

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
Full House Res. New Construction	73,741	55,051	74,384	110,570	58,576	52,564	50,095	44,781	80,050	80,050	80,050	80,050	839,962
Resid. Appliance Replacement	5,529	7,718	5,558	3,831	6,414	7,237	3,270	4,056	10,858	10,858	10,862	10,862	87,053
Conservation Education	206	1,106	206	206	9,171	2,319	1,830	7,711	3,750	3,750	3,750	3,750	37,755
Space Conditioning	1,188	3,428	3,249	4,511	4,558	3,422	3,431	3,461	5,583	5,583	5,587	5,587	49,588
Residential Conservation Service	610	1,744	773	571	522	670	396	402	3,625	3,625	3,625	3,625	20,188
Residential Appliance Retention	37,636	31,176	31,841	26,858	22,616	25,867	19,882	28,628	40,367	40,367	40,365	40,363	385,966
Commercial Conservation	2,686	1,439	1,494	1,743	3,439	2,200	1,656	2,389	3,417	3,417	3,413	3,413	30,706
Res. Service Reactivation	0	900	0	0	0	0	0	0	3,200	3,200	3,200	3,200	13,700
Common	52,310	17,166	76,077	50,528	46,799	36,139	31,294	32,029	45,817	45,817	45,813	45,813	525,602
TOTAL ALL PROGRAMS	173,906	119,728	193,582	198,818	152,095	130,418	111,854	123,457	196,667	196,667	196,665	196,663	1,990,520

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
CONSERVATION REVS.													
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.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	297,031	259,207	195,527	180,601	156,287	132,627	123,953	121,126	196,667	196,667	196,667	196,663	2,253,023
TOTAL REVENUES	297,031	259,207	195,527	180,601	156,287	132,627	123,953	121,126	196,667	196,667	196,667	196,663	2,253,023
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(10,326)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(123,890)
CONSERVATION REVS. APPLIC. TO PERIOD	286,705	248,883	185,203	170,277	145,963	122,303	113,629	110,802	186,343	186,343	186,343	186,339	2,129,133
CONSERVATION EXPS. (FORM C-3, PAGE 3)	173,906	119,728	193,582	198,818	152,095	130,418	111,854	123,457	196,667	196,667	196,665	196,663	1,990,520
TRUE-UP THIS PERIOD	112,799	129,155	(8,379)	(28,541)	(6,132)	(8,115)	1,775	(12,655)	(10,324)	(10,324)	(10,322)	(10,324)	138,613
INTEREST THIS PERIOD (C-3, PAGE 5)	(66)	72	141	130	125	118	116	123	123	123	123	123	1,251
TRUE-UP & INT. BEG. OF MONTH	(123,890)	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	(123,890)
PRIOR TRUE-UP COLLECT./(REFUND.)	10,326	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	123,890
END OF PERIOD TOTAL NET TRUE-UP	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	139,864	139,864

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
INTEREST PROVISION													
BEGINNING TRUE-UP	(123,890)	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	
END. T-UP BEFORE INT.	(765)	138,648	140,665	122,589	126,911	129,245	141,462	139,247	139,370	139,493	139,618	139,741	
TOT. BEG. & END. T-UP	(124,655)	137,816	279,385	263,396	249,631	256,281	270,825	280,825	278,740	278,986	279,234	279,482	
AVERAGE TRUE-UP	(62,328)	68,908	139,692	131,698	124,815	128,141	135,413	140,413	139,370	139,493	139,617	139,741	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	
TOTAL	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	
AVG INTEREST RATE	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	
MONTHLY AVG. RATE	0.11%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
INTEREST PROVISION	(\$66)	\$72	\$141	\$130	\$125	\$118	\$116	\$123	\$123	\$123	\$123	\$123	\$1,251

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5
PAGE 1 OF 9**

1. Full House Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Service Program
6. Commercial Conservation Service Program
7. Conservation Education Program
8. Space Conditioning Program

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 2 OF 9**

PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

This program is designed to increase the overall energy efficiency in the residential single- and multi-family new construction market by promoting energy-efficient natural gas appliances. The program offers builders and developers incentives in the form of cash allowances to defray the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$300
Water Heater	\$300
Range	\$ 85
Dryer	\$ 85

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 1,100 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$885,600.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through August 31, 2003, FPUC has connected 3,008 single- and multi-family homes to its natural gas system.

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FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
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PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$330
Water Heater	\$330
Range	\$ 50
Dryer	\$ 50

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 200 natural gas appliances will be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$130,300.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through August 2003, FPUC has connected 579 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 4 OF 9**

PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

This program is designed to promote the retention of energy-efficient appliances for current natural gas customers. The program offers allowances to customers to assist in defraying the cost of purchasing and installing more expensive energy-efficient appliances.

PROGRAM ALLOWANCES:

Water Heater \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 960 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$444,400.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2003, FPUC has retained 2,511 natural gas water heaters connected to its distributions system.

**EXHIBIT NO. _____
DOCKET NO. 020004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and the installation of energy-efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service Reactivation (the installation of a water heater is required) \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 10 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$23,400.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2003, FPUC has not reactivated any services with water heaters as a result of this program.

PROGRAM TITLE:

Residential Conservation Service Program

PROGRAM DESCRIPTION:

This program is designed to assist residential customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$34,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through August 31, 2003, only 18 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 7 OF 9**

PROGRAM TITLE:

Commercial Conservation Service Program

PROGRAM DESCRIPTION:

This program is designed to assist commercial customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 50 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$32,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2003, 100 commercial customers have participated.

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DOCKET NO. 030004-GU
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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 8 OF 9**

PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

The purpose of this program is to teach adult and young people about conservation measures designed to reduce energy consumption and consequently reduce their utility bills.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

For the twelve-month period of January to December 2004, FPUC estimates that 25 adult and youth presentations with 250 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2004, FPUC estimates expenses of \$45,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2003, FPUC has given 55 adult and youth presentations.

**EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 16 OF 17**

PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

This program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for higher initial costs of natural gas space conditioning equipment and the associated installation costs. This program also reduces summer as well as winter peak demand and contributes to the conservation of kwh/kwd consumption.

PROGRAM ALLOWANCES:

Residential	\$1200 (For Robur model or equivalent unit)
Non-Residential	\$ 50 per ton

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2004, FPUC estimates that 1 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$33,300.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2003, FPUC has connected 8 space conditioning projects to its natural gas system.

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PEOPLES GAS SYSTEM
DOCKET NO. 030004-GU

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030004-GU EXHIBIT NO. 4 ^{Comp Ex}
COMPANY/ Peoples Gas System
WITNESS. Kandi M. Floyd/KMF-1,2,3,4+
DATE: 11-12-02 ^{4R}

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

ADJUSTED NET TRUE-UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPAL	388,113	
INTEREST	<u>-7,183</u>	380,930

LESS PROJECTED TRUE-UP

PRINCIPAL	548,347	
INTEREST	<u>-6,287</u>	<u>542,060</u>

ADJUSTED NET TRUE-UP		<u>-161,130</u>
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() REFLECTS OVER-RECOVERY

COMPANY:

PEOPLES GAS SYSTEM
EXCEPT WEST FLORIDA REGION
EXHIBIT NO. _____
DOCKET NO. 030004-GU
KMF-1

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	375,844	402,911	-27,067
MATERIALS & SUPPLIES	2,699	8,614	-5,915
ADVERTISING	1,250,603	1,221,413	29,190
INCENTIVES	7,512,006	7,171,023	340,983
OUTSIDE SERVICES	2,691	13,602	-10,911
VEHICLES	0	0	0
OTHER	-8,293	12,455	-20,748
SUB-TOTAL	9,135,550	8,830,018	305,532
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	9,135,550	8,830,018	305,532
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,747,437	-8,281,670	-465,767
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	388,113	548,348	-160,235
INTEREST PROVISION	-7,183	-6,287	-896
END OF PERIOD TRUE-UP	380,930	542,061	-161,131

() REFLECTS OVER-RECOVERY
*9 MONTHS ACTUAL AND 3 MONTHS PROJECTED

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

<u>PROGRAM NAME</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTIS.</u>	<u>INCENTIV.</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	6,766,847	0	0	0	6,766,847
PROGRAM 2: WATER HEATER LOAD RET	0	0	0	223,500	0	0	0	223,500
PROGRAM 3: OIL HEAT REPLACEMENT	0	0	0	4,950	0	0	0	4,950
PROGRAM 4: SMALL PKG COGEN	0	0	0	0	0	0	0	0
PROGRAM 5: COMM ELECTRIC REPLACEMENT	0	0	0	82,409	0	0	0	82,409
PROGRAM 6: RES ELECTRIC REPLACEMENT	0	0	0	316,100	0	0	0	316,100
PROGRAM 7: COMMON COST	375,844	2,699	1,250,603	0	2,691	0	-8,293	1,623,544
PROGRAM 8: GAS SPACE CONDITIONING	0	0	0	118,200	0	0	0	118,200
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ENERGY AUDITS	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	375,844	2,699	1,250,603	7,512,006	2,691	0	-8,293	9,135,550

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

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL	
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	323,463	0	0	0	323,463	
PROGRAM 2: WATER HEATER LOAD RET	0	0	0	-2,246	0	0	0	-2,246	
PROGRAM 3: OIL HEAT REPLACEMENT	0	0	0	-3,840	0	0	0	-3,840	
PROGRAM 4: SMALL PKG COGEN	0	0	0	-9,999	0	0	0	-9,999	
PROGRAM 5: COMM ELECTRIC REPLACEMENT	0	0	0	1,771	0	0	0	1,771	
PROGRAM 6: RES ELECTRIC REPLACEMENT	0	0	0	-28,490	0	0	0	-28,490	
PROGRAM 7: COMMON COST	-27,067	-5,915	29,190	0	-10,911	0	-20,748	-35,451	
PROGRAM 8: GAS SPACE CONDITIONING	0	0	0	60,324	0	0	0	60,324	
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	
PROGRAM 10: ENERGY AUDITS	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	TOTAL OF ALL PROGRAMS	-27,067	-5,915	29,190	340,983	-10,911	0	-20,748	305,532

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

COMPANY:

PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
PROGRAM 1:	459,540	718,157	371,340	365,500	774,655	841,750	389,290	483,995	437,390	424,295	520,215	980,720	6,766,847
PROGRAM 2:	15,400	21,000	21,800	22,000	19,200	19,100	18,700	19,400	17,600	16,100	14,000	19,200	223,500
PROGRAM 3:	990	0	660	660	330	0	660	330	660	330	0	330	4,950
PROGRAM 4:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	44,780	3,240	3,852	4,560	-39,360	11,848	8,540	3,200	2,444	35,580	3,925	0	82,409
PROGRAM 6:	21,715	37,623	37,087	31,470	32,825	24,488	18,567	21,790	26,375	23,447	18,840	21,873	316,100
PROGRAM 7:	204,866	178,621	88,373	155,405	126,427	84,342	120,214	67,592	182,977	100,849	86,325	227,552	1,623,544
PROGRAM 8:	0	0	15,000	21,000	0	0	0	9,375	0	54,000	4,500	14,325	118,200
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	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	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	-988,594	-840,867	-916,003	-915,338	-444,804	-590,919	-560,811	-534,362	-564,931	-532,703	-622,198	-883,381	-8,394,910
4. TOTAL REVENUES	-988,594	-840,867	-916,003	-915,338	-444,804	-590,919	-560,811	-534,362	-564,931	-532,703	-622,198	-883,381	-8,394,910
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS 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
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-1,017,971	-870,244	-945,381	-944,715	-474,182	-620,297	-590,188	-563,739	-594,308	-562,080	-651,576	-912,759	-8,747,437
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	747,291	958,640	537,912	600,595	914,077	981,528	555,971	605,682	667,446	654,601	647,805	1,264,000	9,135,550
8. TRUE-UP THIS PERIOD	-270,680	88,396	-407,468	-344,120	439,895	361,231	-34,216	41,943	73,139	92,521	-3,770	351,241	388,113
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-700	-786	-986	-1,500	-1,376	-748	-460	-408	-287	-123	-16	205	-7,183
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-352,527	-594,529	-477,542	-856,619	-1,172,861	-704,964	-315,103	-320,403	-249,490	-147,261	-25,485	106	
11. PRIOR TRUE-UP COLLECTED(REFUNDED)	29,377	29,377	29,377	29,377	29,377	29,377	29,377	29,377	29,377	29,377	29,377	29,377	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	-594,529	-477,542	-856,619	-1,172,861	-704,964	-315,103	-320,403	-249,490	-147,261	-25,485	106	380,930	380,930

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	-352,527	-594,529	-477,542	-856,819	-1,172,861	-704,964	-315,103	-320,403	-249,490	-147,261	-25,485	106	
2. ENDING TRUE-UP BEFORE INTEREST	-593,829	-476,756	-855,633	-1,171,361	-703,588	-314,366	-319,943	-249,082	-146,974	-25,363	121	380,724	
3. TOTAL BEGINNING & ENDING TRUE-UP	-946,356	-1,071,285	-1,333,174	-2,027,980	-1,876,449	-1,019,320	-635,046	-569,485	-396,465	-172,624	-25,364	380,830	
4. AVERAGE TRUE-UP (LINE 3 TIMES 60%)	-473,178	-536,643	-666,587	-1,013,990	-938,225	-509,660	-317,523	-284,743	-198,232	-86,312	-12,662	190,415	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 60%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-700	-786	-986	-1,500	-1,376	-748	-480	-408	-287	-123	-16	205	-7,183

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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:	10,068
New Homes Connected:	10,573
Variance:	-505
Percent of Goal:	105.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$6,443,384
Actual Cost:	\$6,766,847
Variance:	-\$323,463

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
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Program Progress Report

Reporting Period: 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**

Program Summary

Goals:	2,257
Actual:	2,235
Variance:	22
Percent of Goal:	99.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$225,746
Actual Cost:	\$223,500
Variance:	\$2,246

Program Progress Report

Reporting Period: **JANUARY 2002 THROUGH DECEMBER 2002**

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:	27
Actual:	15
Variance:	12
Percent of Goal:	56.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$8,790
Actual Cost:	\$4,950
Variance:	\$3,840

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Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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:	3
Variance:	-1
Percent of Goal:	150.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$9,999
Actual Cost:	\$0
Variance:	\$9,999

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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 \$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: \$80,638
Actual Cost: \$82,409
Variance: -\$1,771

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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	\$440
	Natural Gas	\$440
	Natural Gas	\$75
	Natural Gas	\$75
	Natural Gas	\$65

Program Summary

Program Goal:	600
Program Accomplishments:	551
Variance:	50
Percent of Goal:	91.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$344,590
Actual Cost:	\$316,100
Variance:	\$28,490

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,658,995
Actual Cost:	\$1,623,544
Variance:	\$35,451

COMPANY: PEOPLES GAS SYSTEM
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-1

Program Progress Report

Reporting Period: 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 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 \$150 /ton

Program Summary

Goals:	386
Actual:	788 tons
Variance:	-402
Percent of Goal:	204.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$57,876
Actual Cost:	\$118,200
Variance:	-\$60,324

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Program Monitoring, Evaluation and Research Demonstration

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

Conservation Cost Variance - Actual Vs. Projected

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

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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 Audit	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

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM

West Florida Region

Exhibit No. _____

Docket No. 030004-GU

KMF-2

ADJUSTED NET TRUE-UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPAL	517,977	
INTEREST	<u>12,097</u>	530,074

LESS PROJECTED TRUE-UP

PRINCIPAL	840,554	
INTEREST	<u>12,966</u>	<u>853,520</u>

ADJUSTED NET TRUE-UP		<u>-323,446</u>
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() REFLECTS OVER-RECOVERY

COMPANY:

PEOPLES GAS SYSTEM
WEST FLORIDA REGION
EXHIBIT NO. _____
DOCKET NO. 030004-GU
KMF-2

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	57,620	56,359	1,261
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	171,092	175,049	-3,957
INCENTIVES	1,399,339	1,501,544	-102,205
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	0	5,000	-5,000
SUB-TOTAL	1,628,051	1,737,952	-109,901
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	1,628,051	1,737,952	-109,901
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-1,110,074	-897,398	-212,676
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	517,977	840,554	-322,577
INTEREST PROVISION	12,097	12,966	-869
END OF PERIOD TRUE-UP	530,074	853,520	-323,446

() REFLECTS OVER-RECOVERY

*9 MONTHS ACTUAL AND 3 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

<u>PROGRAM NAME</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTIS.</u>	<u>INCENTIV.</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	1,277,600	0	0	0	1,277,600
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	8,300	0	0	0	8,300
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	52,500	0	0	0	52,500
PROGRAM 4: COMM ELECTRIC REPLACEME	0	0	0	12,189	0	0	0	12,189
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	38,750	0	0	0	38,750
PROGRAM 6: COMMON COSTS	57,620	0	171,092	0	0	0	0	228,712
PROGRAM 7: GAS SPACE COND.	0	0	0	10,000	0	0	0	10,000
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	57,620	0	171,092	1,399,339	0	0	0	1,628,051

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

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	-90,945	0	0	0	-90,945
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	-4,401	0	0	0	-4,401
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	6,992	0	0	0	6,992
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-4,250	0	0	0	-4,250
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-5,851	0	0	0	-5,851
PROGRAM 6: COMMON COSTS	1,261	0	-3,957	0	0	0	-5,000	-7,696
PROGRAM 7: GAS SPACE COND.	0	0	0	-3,750	0	0	0	-3,750
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	TOTAL OF ALL PROGRAMS	1,261	0	-3,957	-102,205	0	-5,000	-109,901

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
PROGRAM 1:	93,950	86,600	149,400	90,300	95,600	56,850	149,650	110,100	202,900	88,400	126,650	27,200	1,277,600
PROGRAM 2:	1,000	-300	1,050	1,250	500	1,550	500	450	950	650	600	100	8,300
PROGRAM 3:	3,900	5,500	4,200	5,200	2,100	2,500	6,000	2,600	3,800	8,600	6,300	1,800	52,500
PROGRAM 4:	4,230	0	720	0	0	439	1,200	600	3,000	2,000	0	0	12,189
PROGRAM 5:	2,000	2,950	3,950	6,850	4,150	5,900	500	1,400	4,250	3,550	2,350	900	38,750
PROGRAM 6:	23,113	27,426	13,606	21,751	19,272	10,208	18,188	12,478	19,750	17,720	22,188	23,012	228,712
PROGRAM 7:	0	0	0	10,000	0	0	0	0	0	0	0	0	10,000
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	128,193	122,176	172,926	135,351	121,622	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	128,193	122,176	172,926	135,351	121,622	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	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	<u>-322,065</u>	<u>-271,931</u>	<u>-274,979</u>	<u>-274,435</u>	<u>-57,638</u>	<u>-121,588</u>	<u>-121,546</u>	<u>-118,419</u>	<u>-129,150</u>	<u>-125,472</u>	<u>-147,096</u>	<u>-284,365</u>	<u>-2,248,684</u>
4. TOTAL REVENUES	<u>-322,065</u>	<u>-271,931</u>	<u>-274,979</u>	<u>-274,435</u>	<u>-57,638</u>	<u>-121,588</u>	<u>-121,546</u>	<u>-118,419</u>	<u>-129,150</u>	<u>-125,472</u>	<u>-147,096</u>	<u>-284,365</u>	<u>-2,248,684</u>
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>94,884</u>	<u>1,138,610</u>
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-227,181</u>	<u>-177,047</u>	<u>-180,095</u>	<u>-179,551</u>	<u>37,246</u>	<u>-26,704</u>	<u>-26,662</u>	<u>-23,535</u>	<u>-34,266</u>	<u>-30,588</u>	<u>-52,212</u>	<u>-189,481</u>	<u>-1,110,074</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	128,193	122,176	172,926	135,351	121,822	77,447	176,038	127,628	234,650	120,920	158,088	53,012	1,628,051
8. TRUE-UP THIS PERIOD	-98,988	-54,871	-7,169	-44,200	158,868	50,743	149,376	104,093	200,384	90,332	105,876	-136,469	517,977
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	1,541	1,278	1,105	928	866	882	881	918	1,010	1,066	927	696	12,097
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	1,138,610	946,279	797,802	696,853	558,697	623,548	580,289	635,662	645,789	752,298	748,812	760,731	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	<u>-94,884</u>	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>946,279</u>	<u>797,802</u>	<u>696,853</u>	<u>558,697</u>	<u>623,548</u>	<u>580,289</u>	<u>635,662</u>	<u>645,789</u>	<u>752,298</u>	<u>748,812</u>	<u>760,731</u>	<u>530,074</u>	<u>530,074</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEPT 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	1,138,610	946,279	797,802	696,853	558,697	623,548	580,289	636,662	645,789	752,298	748,812	780,731	
2. ENDING TRUE-UP BEFORE INTEREST	944,738	796,524	695,749	557,769	622,681	579,407	634,781	644,871	751,289	747,746	759,804	529,378	
3. TOTAL BEGINNING & ENDING TRUE-UP	2,083,348	1,742,803	1,493,551	1,254,623	1,181,379	1,202,954	1,215,070	1,280,533	1,397,077	1,500,045	1,508,616	1,290,110	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	1,041,674	871,401	746,775	627,311	590,689	601,477	607,536	640,266	698,539	750,022	754,308	645,055	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.760%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.890%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	1,541	1,278	1,105	928	866	882	881	918	1,010	1,066	927	696	12,097

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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:	2,281
New Homes Connected:	<u>2,129</u>
Variance:	152
Percent of Goal:	93.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,368,545
Actual Cost:	\$1,277,600
Variance:	\$90,945

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Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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:	\$12,701
Actual Cost:	\$8,300
Variance:	\$4,401

Program Progress Report

Reporting Period: 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

Program Summary

Goals:	455
Actual:	525
Variance:	-70
Percent of Goal:	115.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$45,508
Actual Cost:	\$52,500
Variance:	-\$6,992

Program Progress Report

Reporting Period: **JANUARY 2002 THROUGH DECEMBER 2002**

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

Goals:	548
Actual:	406
Variance:	142
Percent of Goal:	74.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$16,439
Actual Cost:	\$12,189
Variance:	\$4,250

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Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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:	37
Actual:	32
Variance:	5
Percent of Goal:	86.9%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$44,601
Actual Cost:	\$38,750
Variance:	\$5,851

COMPANY: PEOPLES GAS SYSTEM
West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-2

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

Name: Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$236,408
Actual Cost:	\$228,712
Variance:	\$7,696

Program Progress Report

Reporting Period: 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 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 \$150 /ton

Program Summary

Program Goal:	92
Program Accomplishments:	67
Variance:	25
Percent of Goal:	72.7%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$13,750
Actual Cost:	\$10,000
Variance:	\$3,750

COMPANY: PEOPLES GAS SYSTEM
West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-2

Program Progress Report

Reporting Period: JANUARY 2002 THROUGH DECEMBER 2002

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

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	8,807,507
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	737,849
3. TOTAL (LINE 1 AND LINE 2)	9,545,356

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
RS	2,828,029	54,543,204	28,280,290	20,544,789	48,825,079	3,786,268	7.75476%	0.06942	1.00503	0.06977
SGS	58,103	2,200,381	1,162,060	593,113	1,755,173	136,109	7.75476%	0.06186	1.00503	0.06217
GS-1	204,348	96,528,647	6,130,440	22,245,027	28,375,467	2,200,449	7.75476%	0.02280	1.00503	0.02291
GS-2	32,968	70,457,929	1,153,880	15,688,867	16,842,747	1,306,115	7.75476%	0.01854	1.00503	0.01863
GS-3	8,493	66,354,541	382,185	12,961,032	13,343,217	1,034,734	7.75476%	0.01559	1.00503	0.01567
GS-4	1,512	40,786,624	128,520	7,271,439.00	7,399,959	573,849	7.75476%	0.01407	1.00503	0.01414
GS-5	972	63,766,989	145,800	6,402,843	6,548,643	507,832	7.75476%	0.00796	1.00503	0.00800
NGVS	240	683,810	8,400.00	95,822.00	104,222	8,082	7.75476%	0.01182	1.00503	0.01188
CSLS	1,116.00	1,328,220.00	0.00	170,397.00	170,397	13,214	7.75476%	0.00995	1.00503	0.01000
TOTAL	3,134,425	394,638,315	37,383,175	85,707,110	123,090,285	9,545,356				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2004 Through December 2004

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 HOME BUILDER PROGRAM	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	550,144	\$6,601,728
2 WATER HEATER LOAD RET	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	\$224,100
3 OIL HEAT REPLACEMENT	413	413	413	413	413	413	413	413	413	413	413	413	\$4,950
4 SMALL PKG COGEN	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	\$20,000
5 COM ELECTRIC REPLACEMENT	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	\$48,389
6 RES ELECTRIC REPLACEMENT	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	26,378	\$316,540
7 COMMON COSTS	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	122,800	\$1,473,600
8 GAS SPACE CONDITIONING	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	\$118,200
9 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$733,959	\$8,807,507

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2004 Through December 2004

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	6,601,728	0	0	0	\$6,601,728
2 WATER HEATER LOAD RET	0	0	0	0	224,100	0	0	0	\$224,100
3 OIL HEAT REPLACEMENT	0	0	0	0	4,950	0	0	0	\$4,950
4 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
5 COM ELECTRIC REPLACEMENT	0	0	0	0	48,389	0	0	0	\$48,389
6 RES ELECTRIC REPLACEMENT	0	0	0	0	316,540	0	0	0	\$316,540
7 COMMON COSTS	0	420,500	1,000	1,050,100	0	1,000	0	1,000	\$1,473,600
8 GAS SPACE CONDITIONING	0	0	0	0	118,200	0	0	0	\$118,200
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	\$420,500	\$1,000	\$1,050,100	\$7,333,907	\$1,000	\$0	\$1,000	\$8,807,507

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	4,869,139	0	0	0	4,869,139
B. ESTIMATED	0	0	0	0	2,024,336	0	0	0	2,024,336
C. TOTAL	0	0	0	0	6,893,475	0	0	0	6,893,475
2 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	151,600	0	0	0	151,600
B. ESTIMATED	0	0	0	0	76,800	0	0	0	76,800
C. TOTAL	0	0	0	0	228,400	0	0	0	228,400
3 OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	2,505	0	0	0	2,505
B. ESTIMATED	0	0	0	0	3,332	0	0	0	3,332
C. TOTAL	0	0	0	0	5,837	0	0	0	5,837
4 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	5,000	0	0	0	5,000
B. ESTIMATED	0	0	0	0	13,332	0	0	0	13,332
C. TOTAL	0	0	0	0	18,332	0	0	0	18,332
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	45,912	0	0	0	45,912
B. ESTIMATED	0	0	0	0	49,056	0	0	0	49,056
C. TOTAL	0	0	0	0	94,968	0	0	0	94,968
6 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	191,213	0	0	0	191,213
B. ESTIMATED	0	0	0	0	132,380	0	0	0	132,380
C. TOTAL	0	0	0	0	323,593	0	0	0	323,593
SUB-TOTAL	0	0	0	0	7,564,605	0	0	0	7,564,605

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	7,564,605	0	0	0	7,564,605
7. COMMON COSTS									
A. ACTUAL	0	295,135	394	497,166	0	260	0	565	793,520
B. ESTIMATED	0	125,359	6,667	378,108	0	3,333	0	516,800	516,800
C. TOTAL	0	420,494	7,061	875,274	0	3,593	0	3,898	1,310,320
8. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	16,875	0	0	0	16,875
B. ESTIMATED	0	0	0	0	26,668	0	0	0	26,668
C. TOTAL	0	0	0	0	43,543	0	0	0	43,543
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	420,494	7,061	875,274	7,608,148	3,593	0	3,898	8,918,468

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2003 Through December 2003
 8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	525,860	477,380	474,860	653,775	914,655	690,542	571,282	560,805	506,084	506,084	506,084	506,084	\$6,893,476
WATER HEATER LOAD RET	25,800	18,100	16,500	24,600	12,400	24,300	17,000	14,800	19,200	19,200	19,200	19,200	\$228,400
OIL HEAT REPLACEMENT	660	660	330	0	0	0	330	525	833	833	833	833	\$5,837
SMALL PKG COGEN	0	0	0	0	0	5,000	0	0	3,333	3,333	3,333	3,333	\$18,332
COM ELECTRIC REPLACEME	9,440	6,840	6,152	9,200	900	1,840	9,480	2,060	12,264	12,264	12,264	12,264	\$94,968
RES ELECTRIC REPLACEME	28,158	25,545	27,753	24,813	13,288	26,058	26,510	19,088	33,095	33,095	33,095	33,095	\$323,593
COMMON COSTS	63,961	159,017	97,173	118,731	98,048	47,288	92,233	117,069	129,200	129,200	129,200	129,200	\$1,310,320
GAS SPACE CONDITIONING	0	4,500	9,375	0	3,000	0	0	0	6,667	6,667	6,667	6,667	\$43,543
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	\$653,979	\$690,042	\$632,143	\$831,119	\$1,042,291	\$795,028	\$716,815	\$714,347	\$710,676	\$710,676	\$710,676	\$710,676	\$8,918,468

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ENERGY CONSERVATION ADJUSTMENT
January 2003 Through December 2003

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.	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
TOTAL REVENUES	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-571,665	-571,665	-571,665	-571,665	-8,560,637
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	31,744	380,930
CONSERVATION REVS. APPLIC. TO PERIOD	-1,192,981	-1,118,746	-789,766	-681,599	-612,256	-553,782	-530,972	-539,921	-539,921	-539,921	-539,921	-539,921	-8,179,707
CONSERVATION EXPS. (FORM C-3, PAGE 3)	653,979	690,042	632,143	831,119	1,042,291	795,028	716,815	714,347	710,676	710,676	710,676	710,676	8,918,468
TRUE-UP THIS PERIOD	-539,003	-428,704	-157,623	149,520	430,036	241,246	185,843	174,426	170,755	170,755	170,755	170,755	738,761
INTEREST THIS PERIOD (C-3, PAGE 5)	102	-441	-755	-772	-525	-204	-34	96	221	344	467	590	-912
TRUE-UP & INT. BEG. OF MONTH	380,930	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849
PRIOR TRUE-UP COLLECT. (REFUND.)	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-380,930
END OF PERIOD TOTAL NET TRUE-UP	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849	737,849

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2003 Through December 2003

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	380,930	-189,715	-650,604	-840,727	-723,723	-325,956	-116,658	37,407	180,185	319,416	458,771	598,248	737,849
END. T-UP BEFORE INT.	-189,817	-650,164	-839,972	-722,951	-325,431	-116,454	37,441	180,089	319,196	458,427	597,782	737,259	1,095,680
TOT. BEG. & END. T-UP	191,113	-839,878	-1,490,576	-1,563,678	-1,049,154	-442,410	-79,217	217,496	499,380	777,844	1,056,553	1,335,508	1,833,529
AVERAGE TRUE-UP	95,557	-419,939	-745,288	-781,839	-524,577	-221,205	-39,608	108,748	249,690	388,922	528,276	667,754	916,765
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.2900%	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MT	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
TOTAL	2.5600%	2.5200%	2.4300%	2.3700%	2.4000%	2.2100%	2.0500%	2.1100%	2.1200%	2.1200%	2.1200%	2.1200%	2.1200%
AVG INTEREST RATE	1.2800%	1.2600%	1.2150%	1.1850%	1.2000%	1.1050%	1.0250%	1.0550%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
MONTHLY AVG. RATE	0.1067%	0.1050%	0.1013%	0.0988%	0.1000%	0.0921%	0.0854%	0.0879%	0.0883%	0.0883%	0.0883%	0.0883%	0.0883%
INTEREST PROVISION	\$102	-\$441	-\$755	-\$772	-\$525	-\$204	-\$34	\$96	\$221	\$344	\$467	\$590	-\$912

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Peoples Gas System

Reporting: January 2003 Through December 2003

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: 2,374
Actual KWD displaced this period: 1,148
Percent of goal: 48.3%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$94,968
Actual to date: \$45,912

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 030004-GU
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Peoples Gas System

Reporting: January 2003 Through December 2003

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:	12,861
Actual connections to date this period:	9,084
Percent of goal:	70.6%
8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$6,893,475
	Actual to date:	\$4,869,139

Peoples Gas System

Reporting: January 2003 Through December 2003

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: 2,284

Actual connections to date this period: 1,516

Percent of goal: 66.4%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$228,400

Actual to date: \$151,600

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
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Peoples Gas System

Reporting: January 2003 Through December 2003

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 Go	Projected new connections for this period:	18
	Actual connections to date this period:	8
	Percent of goal:	42.9%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$5,837
	Actual to date:	\$2,505

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

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 Fiscal Expenditures:	Estimated for period:	\$18,332
	Actual to date:	\$5,000

Peoples Gas System

Reporting: January 2003 Through December 2003

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:	2,374
	Actual KWD displaced this period:	1,148
	Percent of goal:	48.3%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$94,968
	Actual to date:	\$45,912

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

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:	526
	Actual connections to date this period:	311
	Percent of goal:	59.1%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$323,593
	Actual to date:	\$191,213

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Company: Peoples Gas System
Except West Florida Region
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Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:	\$1,310,320
Actual to date:	\$793,520
Percent of goal:	60.6%
8 Months of Actuals	

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-3

Peoples Gas System

Reporting: January 2003 Through December 2003

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 / installatic \$150
per ton

Program Goals:	Projected connections this period: (tons)	290
	Actual connections this period: (tons)	113
	Percent of goal:	38.8%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$43,543
	Actual to date:	\$16,875

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,010,800
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	921,916
3. TOTAL (LINE 1 AND LINE 2)	2,932,716

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
RS	508,786	11,872,281	5,087,860	4,471,932	9,559,792	1,699,904	17.78181%	0.14318	1.00503	0.14390
SGS	13,251	601,595	265,020	162,160	427,180	75,960	17.78181%	0.12626	1.00503	0.12690
GS-1	16,503	6,760,991	495,090	1,558,070	2,053,160	365,089	17.78181%	0.05400	1.00503	0.05427
GS-2	2,171	4,270,669	75,985	950,950	1,026,935	182,608	17.78181%	0.04276	1.00503	0.04297
GS-3	516	3,902,990	23,220	762,371	785,591	139,692	17.78181%	0.03579	1.00503	0.03597
GS-4	120	3,033,282	10,200	540,774	550,974	97,973	17.78181%	0.03230	1.00503	0.03246
GS-5	96	20,662,841	14,400	2,074,756	2,089,156	371,490	17.78181%	0.01798	1.00503	0.01807
NGVS	0	0	0	0	0	0	17.78181%	#DIV/0!	1.00503	#DIV/0!
CSLS	60	52,952	0	6,793	6,793	1,208	17.78181%	0.02281	1.00503	0.02293
TOTAL	541,443	51,104,649	5,971,775	10,521,013	16,492,788	2,932,716				

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2004 Through December 2004

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	1,750,890	0	0	0	1,750,890
2 ENERGY SAVINGS PAYBACK	0	0	0	0	7,500	0	0	0	7,500
3 WATER HEATER LOAD RET	0	0	0	0	33,200	0	0	0	33,200
4 RES ELECTRIC REPLACEMENT	0	0	0	0	31,950	0	0	0	31,950
5 COM ELECTRIC REPLACEMENT	0	0	0	0	7,960	0	0	0	7,960
6 GAS SPACE CONDITIONING	0	0	0	0	10,000	0	0	0	10,000
7 COMMON COSTS	0	59,300	0	110,000	0	0	0	0	169,300
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	59,300	0	110,000	1,841,500	0	0	0	2,010,800

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months Actual

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	1,764,200	0	0	0	1,764,200
B. ESTIMATED	0	0	0	0	456,216	0	0	0	456,216
C. TOTAL	0	0	0	0	2,220,416	0	0	0	2,220,416
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	5,800	0	0	0	5,800
B. ESTIMATED	0	0	0	0	5,000	0	0	0	5,000
C. TOTAL	0	0	0	0	10,800	0	0	0	10,800
3 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	23,700	0	0	0	23,700
B. ESTIMATED	0	0	0	0	12,032	0	0	0	12,032
C. TOTAL	0	0	0	0	35,732	0	0	0	35,732
4 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	19,700	0	0	0	19,700
B. ESTIMATED	0	0	0	0	23,332	0	0	0	23,332
C. TOTAL	0	0	0	0	43,032	0	0	0	43,032
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	4,071	0	0	0	4,071
B. ESTIMATED	0	0	0	0	8,332	0	0	0	8,332
C. TOTAL	0	0	0	0	12,403	0	0	0	12,403
6 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	5,000	0	0	0	5,000
C. TOTAL	0	0	0	0	5,000	0	0	0	5,000
SUB-TOTAL	0	0	0	0	2,327,383	0	0	0	2,327,383

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2003 Through December 2003
8 Months Actual

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	2,327,383	0	0	0	2,327,383
7. COMMON COSTS									
A. ACTUAL	0	44,772	0	78,750	0	0	0	0	123,523
B. ESTIMATED	0	31,490	0	66,667	0	0	0	1,667	99,823
C. TOTAL	0	76,262	0	145,417	0	0	0	1,667	223,346
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	76,262	0	145,417	2,327,383	0	0	1,667	2,550,729

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2003 Through December 2003
& Months Actual

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	336,400	215,000	168,100	242,100	248,550	136,950	129,500	287,600	114,054	114,054	114,054	114,054	2,220,416
ENERGY SAVINGS PAYBACK	1,050	350	800	1,150	350	750	350	1,000	1,250	1,250	1,250	1,250	10,800
WATER HEATER LOAD RET	5,000	2,000	3,600	2,600	2,100	3,400	1,300	3,700	3,008	3,008	3,008	3,008	35,732
RES ELECTRIC REPLACEMENT	3,100	3,250	3,750	3,950	600	1,150	1,950	1,950	5,833	5,833	5,833	5,833	43,032
COM ELECTRIC REPLACEMENT	0	540	621	1,200	300	1,410	0	0	2,083	2,083	2,083	2,083	12,403
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	1,250	1,250	1,250	1,250	5,000
COMMON COSTS	9,288	24,129	13,568	19,488	20,148	7,972	13,603	15,347	24,956	24,956	24,956	24,956	223,346
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	354,838	245,269	190,439	270,468	272,048	151,632	146,703	309,597	152,434	152,434	152,434	152,434	2,550,729

ENERGY CONSERVATION ADJUSTMENT
January 2003 Through December 2003

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.	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ. REV. (NET OF REV. TAXES)	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
TOTAL REVENUES	-381,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-118,280	-118,280	-118,280	-118,280	-2,165,853
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	530,074
CONSERVATION REVS. APPLIC. TO PERIOD	-347,339	-306,412	-158,606	-108,275	-182,759	-77,472	-84,380	-74,107	-74,107	-74,107	-74,107	-74,107	-1,635,779
CONSERVATION EXPS. (FORM C-3, PAGE 3)	354,838	245,269	190,439	270,468	272,048	151,632	146,703	309,597	152,434	152,434	152,434	152,434	2,550,729
TRUE-UP THIS PERIOD	7,498	-61,143	31,833	162,193	89,289	74,160	62,322	235,490	78,327	78,327	78,327	78,327	914,950
INTEREST THIS PERIOD (C-3, PAGE 5)	546	463	388	431	518	512	496	603	706	737	768	799	6,966
TRUE-UP & INT. BEG. OF MONTH	530,074	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916
PRIOR TRUE-UP COLLECT. (REFUND.)	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-530,074
END OF PERIOD TOTAL NET TRUE-UP	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916	921,916

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2003 Through December 2003

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	530,074	493,945	389,093	377,140	495,591	541,225	571,724	590,370	782,290	817,151	852,042	886,964	921,916
END. T-UP BEFORE INT.	493,400	388,629	376,753	495,160	540,707	571,212	589,874	781,687	816,445	851,305	886,196	921,118	1,306,792
TOT. BEG. & END. T-UP	1,023,474	882,575	765,845	872,300	1,036,297	1,112,437	1,161,598	1,372,057	1,598,735	1,668,455	1,738,238	1,808,081	2,228,709
AVERAGE TRUE-UP	511,737	441,287	382,923	436,150	518,149	556,218	580,799	686,028	799,367	834,228	869,119	904,041	1,114,354
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.2900%	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.2700%	1.2500%	1.1800%	1.1900%	1.2100%	1.0000%	1.0500%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
TOTAL	2.5600%	2.5200%	2.4300%	2.3700%	2.4000%	2.2100%	2.0500%	2.1100%	2.1200%	2.1200%	2.1200%	2.1200%	2.1200%
AVG INTEREST RATE	1.2800%	1.2600%	1.2150%	1.1850%	1.2000%	1.1050%	1.0250%	1.0550%	1.0600%	1.0600%	1.0600%	1.0600%	1.0600%
MONTHLY AVG. RATE	0.1067%	0.1050%	0.1013%	0.0988%	0.1000%	0.0921%	0.0854%	0.0879%	0.0883%	0.0883%	0.0883%	0.0883%	0.0883%
INTEREST PROVISION	\$546	\$463	\$388	\$431	\$518	\$512	\$496	\$603	\$706	\$737	\$768	\$799	\$6,966

Peoples Gas System

Reporting: January 2003 Through December 2003

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:	4,848
Actual connections to date this period:	3,852
Percent of goal:	79.5%
8 Months Actual	

Program Fiscal Expenditures:	Estimated for period:	\$2,220,416
	Actual to date:	\$1,764,200

Peoples Gas System

Reporting: January 2003 Through December 2003

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: 16

Program Fiscal Expenditures:	Estimated for period:	\$10,800
	Actual to date:	\$5,800

Peoples Gas System

Reporting: January 2003 Through December 2003

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 Goal Projected connections for this period: **357**

Actual connections to date this period: **237**

Percent of goal: **66.3%**
8 Months Actual

Program Fiscal Expenditures: Estimated for period: **\$35,732**

Actual to date: **\$23,700**

Peoples Gas System

Reporting: January 2003 Through December 2003

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:	179
	Actual connections to date this period:	66
	Percent of goal: 8 Months Actual	36.8%

Program Fiscal Expenditures:	Estimated for period:	\$43,032
	Actual to date:	\$19,700

Peoples Gas System

Reporting: January 2003 Through December 2003

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: 413

Actual KWD displaced this period: 136

Percent of goal: 32.8%
8 Months Actual

Program Fiscal Expenditures: Estimated for period: \$12,403

Actual to date: \$4,071

Peoples Gas System

Reporting: January 2003 Through December 2003

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	\$100.00 per ton
Program Goals:	Projected connections this period: (tons)	50
	Actual connections this period: (tons)	0
	Percent of goal: 8 Months Actual	0.0%
Program Fiscal Expenditures:	Estimated for period:	\$5,000
	Actual to date:	\$0

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 030004-GU
KMF-4

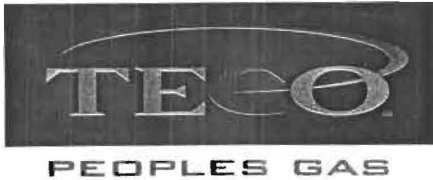
Peoples Gas System

Reporting: January 2003 Through December 2003

Name: Energy Conservation Common Costs

Program Fiscal Expenditure Estimated for period:	\$223,346
Actual to date:	\$123,523
Percent of goal:	55.3%
8 Months Actual	

ORIGINAL



David M. Nicholson
Senior Corporate Counsel
702 North Franklin Street
Tampa, Florida 33602
Direct: (813) 228-1556
Fax: (813) 228-1328
E-Mail: dmnicolson@tecoenergy.com

October 1, 2003

VIA FEDERAL EXPRESS

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

RECEIVED-FPSC
OCT -2 AM 10:49
COMMISSION
CLERK

Re: Docket No. 030004-GU – Energy Conservation Cost Recovery
Petition of Peoples Gas System for Approval of True-Up Amounts
and Conservation Cost Recovery Factors

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System ("Peoples"), please find an original and ten copies of **KMF-3R** and **KMF-4R**, Revised Schedule C-1, Page 1 of 1, Schedule for Conservation Cost Recovery Factors. These pages are replacements of pages KMF-3 and KMF-4 previously filed.

Please acknowledge your receipt and filing of the enclosures on the duplicate copy of this letter and returning same to the undersigned in the enclosed pre-addressed envelope.

Thank you for your assistance.

Sincerely,

David M. Nicholson
Senior Corporate Counsel

RECEIVED & FILED
17
FPSC-BUREAU OF RECORDS

- AUS _____
- CAE _____
- CMP _____
- COM 5+1 original _____
- CTR _____
- ECR _____
- GCL 1 _____
- OPC _____
- MMS _____
- SEC 1 _____
- OTH _____

PEOPLES GAS
702 NORTH FRANKLIN STREET
P. O. BOX 2562
TAMPA, FL 33601-2562
AN EQUAL OPPORTUNITY COMPANY

DOCUMENT NUMBER-DATE
09500 OCT-2 8
1 (800) 282-4441
WWW.PEOPLES GAS.COM
FPSC-COMMISSION CLERK

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	8,807,507
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	737,849
3. TOTAL (LINE 1 AND LINE 2)	9,545,356

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
RS	2,828,029	54,543,204	28,280,290	20,544,789	48,825,079	3,777,839	7.73750%	0.06926	1.00503	0.06961
SGS	58,103	2,200,381	1,162,060	593,113	1,755,173	135,806	7.73750%	0.06172	1.00503	0.06203
GS-1	204,348	96,528,647	6,130,440	22,245,027	28,375,467	2,195,551	7.73750%	0.02275	1.00503	0.02286
GS-2	32,968	70,457,929	1,153,880	15,688,867	16,842,747	1,303,207	7.73750%	0.01850	1.00503	0.01859
GS-3	8,493	66,354,541	382,185	12,961,032	13,343,217	1,032,431	7.73750%	0.01556	1.00503	0.01564
GS-4	1,512	40,786,624	128,520	7,271,439.00	7,399,959	572,572	7.73750%	0.01404	1.00503	0.01411
GS-5	972	63,766,989	145,800	6,402,843	6,548,643	506,701	7.73750%	0.00795	1.00503	0.00799
NGVS	240	683,810	8,400.00	95,822.00	104,222	8,064	7.73750%	0.01179	1.00503	0.01185
CCLS	1,116.00	1,328,220.00	0.00	170,397.00	170,397	13,184	7.73750%	0.00993	1.00503	0.00998
TOTAL	3,135,781	396,650,345	37,391,575	85,973,329	123,364,904	9,545,356				

DOCUMENT NUMBER - DATE
09500 OCT-28
FPSC-COMMISSION CLERK

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2004 Through December 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,010,800
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	921,916
3. TOTAL (LINE 1 AND LINE 2)	2,932,716

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
RS	508,786	11,872,281	5,087,860	4,471,932	9,559,792	1,699,204	17.77449%	0.14312	1.00503	0.14384
SGS	13,251	601,595	265,020	162,160	427,180	75,929	17.77449%	0.12621	1.00503	0.12685
GS-1	16,503	6,760,991	495,090	1,558,070	2,053,160	364,939	17.77449%	0.05398	1.00503	0.05425
GS-2	2,171	4,270,669	75,985	950,950	1,026,935	182,532	17.77449%	0.04274	1.00503	0.04296
GS-3	516	3,902,990	23,220	762,371	785,591	139,635	17.77449%	0.03578	1.00503	0.03596
GS-4	120	3,033,282	10,200	540,774	550,974	97,933	17.77449%	0.03229	1.00503	0.03245
GS-5	96	20,662,841	14,400	2,074,756	2,089,156	371,337	17.77449%	0.01797	1.00503	0.01806
NGVS	0	0	0	0	0	0	17.77449%	#DIV/0!	1.00503	#DIV/0!
CSLS	60	52,952	0	6,793	6,793	1,207	17.77449%	0.02280	1.00503	0.02292
TOTAL	541,503	51,157,601	5,971,775	10,527,806	16,499,581	2,932,716				

SCHEDULE CT-1

COMPANY: ST. JOE NATURAL GAS

FOR MONTHS: ADJUSTED NET TRUE-UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPLE	201	
INTEREST	<u>31</u>	232

LESS PROJECTED TRUE-UP

PRINCIPLE	7,988	
INTEREST	<u>289</u>	<u>8,277</u>

ADJUSTED NET TRUE-UP (8,045)

() REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 03004-EG EXHIBIT NO. Comp. Ex 5.
COMPANY/ St. Joe Natural Gas Co.
WITNESS: Debbie Stitt
DATE: 11-12-03

DOCUMENT NUMBER-DATE

04186 MAY-98

FPSC-COMMISSION CLERK

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	24,000	20,725	3,275
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	0	0	0
SUB-TOTAL	24,000	20,725	3,275
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	24,000	20,725	3,275
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT REVENUES	(23,799)	(7,954)	(15,845)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	201	12,771	(12,570)
INTEREST PROVISION	31	291	(260)
END OF PERIOD TRUE-UP	232	13,062	(12,830)

() REFLECTS OVER-RECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	8,250	0	0	0	8,250
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	15,750	0	0	0	15,750
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	24,000	0	0	0	24,000

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL	
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	575	0	0	0	575	
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	2,700	0	0	0	2,700	
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	
TOTAL	TOTAL OF ALL PROGRAMS	0	0	0	0	3,275	0	0	0	3,275

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
PROGRAM 1:	700	0	1,600	175	525	350	850	350	525	1,875	875	525	8,250
PROGRAM 2:	800	1,575	1,575	1,350	2,250	2,925	1,125	450	1,125	675	800	900	15,750
PROGRAM 3:	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
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	1,600	1,575	3,175	1,525	2,775	3,275	2,075	800	1,650	2,350	1,775	1,425	24,000
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	1,600	1,575	3,175	1,525	2,775	3,275	2,075	800	1,650	2,350	1,775	1,425	24,000

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(7,241)	(3,854)	(4,292)	(1,901)	(1,490)	(1,352)	(1,421)	(1,360)	(1,250)	(1,232)	(1,930)	(4,753)	(32,076)
4. TOTAL REVENUES	(7,241)	(3,854)	(4,292)	(1,901)	(1,490)	(1,352)	(1,421)	(1,360)	(1,250)	(1,232)	(1,930)	(4,753)	(32,076)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	690	690	690	690	690	690	690	690	690	690	690	690	8,277
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(6,551)	(3,164)	(3,602)	(1,211)	(600)	(663)	(731)	(671)	(560)	(542)	(1,240)	(4,063)	(23,799)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,600	1,575	3,175	1,525	2,775	3,275	2,075	800	1,650	2,350	1,775	1,425	24,000
8. TRUE-UP THIS PERIOD	(4,951)	(1,569)	(427)	314	1,975	2,612	1,344	129	1,090	1,808	535	(2,638)	201
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	8	2	(0)	(1)	(1)	2	3	4	3	4	4	2	31
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	8,277	2,844	368	(749)	(1,127)	158	2,082	2,740	2,183	2,586	3,709	3,558	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	(690)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	2,844	368	(749)	(1,127)	158	2,082	2,740	2,183	2,586	3,709	3,558	232	232

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	8,277	2,644	368	(749)	(1,127)	158	2,082	2,740	2,183	2,586	3,709	3,558	
2. ENDING TRUE-UP BEFORE INTEREST	2,638	366	(749)	(1,125)	158	2,080	2,736	2,179	2,583	3,704	3,554	230	
3. TOTAL BEGINNING & ENDING TRUE-UP	10,913	3,010	(381)	(1,875)	(969)	2,238	4,818	4,919	4,765	6,290	7,262	3,788	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	5,457	1,505	(191)	(937)	(484)	1,119	2,409	2,459	2,383	3,145	3,631	1,894	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	8	2	(0)	(1)	(1)	2	3	4	3	4	4	2	31

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHS
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM TITLE: Electric Replacement Program

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO PROMOTE THE REPLACEMENT OF ELECTRIC RESISTENCE APPLIANCES WITH ENERGY EFFICIENT NATURAL GAS APPLIANCES. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST IN DEFRAYING THE ADDITIONAL COSTS IN PURCHASING AND INSTALLING NATURAL GAS APPLIANCES.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$450.00
GAS WATER HEATING	\$225.00
GAS AIR CONDITIONING	\$1,500.00
	<u>\$2,175.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	40
	PLANNED HEATING SYSTEMS:	0
	PLANNED AIR CONDITIONING:	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$15,750
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<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	68
	INSTALLED HEATING SYSTEMS:	1
	INSTALLED AIR CONDITIONING:	0

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHES
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM TITLE: SINGLE & MULTI-FAMILY BUILDER PROGRAM

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO INCREASE THE NUMBER OF HIGH PRIORITY FIRM NATURAL GAS CUSTOMERS IN THE NEW CONSTRUCTION MARKET. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST BUILDERS IN DEFRAYING THE ADDITIONAL COSTS ASSOCIATED WITH NATURAL GAS INSTALLATIONS.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$250.00
GAS WATER HEATING	\$175.00
GAS AIR CONDITIONING	\$1,400.00
	<u>\$1,825.00</u>

PROGRAM ACCOMPLISHMENTS: PLANNED WATER HEATERS: 25
PLANNED HEATING SYSTEMS: 15
PLANNED AIR CONDITIONING: 0

PROGRAM FISCAL EXPENDITURES: ACTUAL EXPEND. W/O INTEREST: \$8,250

PROGRAM PROGRESS SUMMARY: INSTALLED WATER HEATERS: 30
INSTALLED HEATING SYSTEMS: 12
INSTALLED AIR CONDITIONING: 0