

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 040004-GU

In the Matter of
NATURAL GAS CONSERVATION
COST RECOVERY.



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PROCEEDINGS: HEARING
BEFORE: CHAIRMAN BRAULIO L. BAEZ
COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON
DATE: Monday, November 8, 2004
TIME: Commenced at 9:30 a.m.
PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida
REPORTED BY: LINDA BOLES, RPR
Official FPSC Reporter
(850) 413-6734

1 APPEARANCES:

2 GARY V. PERKO, ESQUIRE, Hopping, Green & Sams, Post
3 Office Box 6526, Tallahassee, Florida 32314, appearing on
4 behalf of City Gas Company of Florida.

5 MARTHA BROWN, ESQUIRE, FPSC General Counsel's Office,
6 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
7 appearing on behalf of the Commission Staff.

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CHAIRMAN BAEZ: We'll take appearances. And I guess we should just take appearances on all the dockets together.

MS. FLEMING: Yes, Commissioner.

CHAIRMAN BAEZ: And we'll start on stage left and just move on down the line. If there's anybody that has to enter an appearance, they ought to move down quickly, if you're not -- if you haven't taken a seat already.

Go ahead, Mr. Butler.

MR. BUTLER: Thank you. Good morning, Commissioners. John Butler of the law firm Steel, Hector & Davis appearing on behalf of FPL in the 01 and 07 dockets. Also appearing on behalf of FPL in the 01 docket is Wade Litchfield and Natalie Futch Smith.

CHAIRMAN BAEZ: Thank you. Mr. Beasley.

MR. BEASLEY: Thank you, Mr. Chairman. James D. Beasley and Lee L. Willis with the law firm of Ausley & McMullen in Tallahassee. We're representing Tampa Electric Company in the 01, 02 and 07 dockets.

MR. MCGEE: James McGee on behalf of Progress Energy Florida in the 01 and 02 dockets. Appearing with me is Bonnie Davis in the 01 docket.

MR. MOYLE: Jon Moyle, Jr., with the Moyle, Flanigan Law Firm on behalf of Mr. Tom Churbuck, and we are in the

1 040001 docket. I'd also like to enter an appearance, I'd like
2 to do it on behalf of my law partner Bill Hollimon.

3 MR. PERKO: Gary Perko of the Hopping, Green & Sams
4 Law Firm on behalf of City Gas Company of Florida in the 03 and
5 04 dockets, and Progress Energy Florida in the 07 docket.

6 MS. CHRISTENSEN: Patty Christensen on behalf of the
7 Office of Public Counsel appearing in the 01, 02, 03 and 07
8 dockets.

9 MS. KAUFMAN: Good morning. Vicki Gordon Kaufman of
10 the McWhirter, Reeves Law Firm. I'm appearing on behalf of the
11 Florida Industrial Power Users Group in the 01, 02 and 07
12 dockets, and appearing with me in the 01 docket is Joseph
13 McGlothlin of our firm.

14 CHAIRMAN BAEZ: Thank you, Ms. Kaufman. Is there
15 anyone else that needs to enter an appearance at this time?

16 MR. BUTLER: Chairman Baez, I'm sorry, but I need to
17 add that Ms. Smith also is appearing on behalf of FPL in the
18 02 docket.

19 CHAIRMAN BAEZ: Very well. Let the record reflect.
20 Now we can move on to some preliminary matters.

21 MS. BROWN: Mr. Chairman, if we might enter an
22 appearance on behalf of the Commission.

23 CHAIRMAN BAEZ: Of course, and I'm sorry.

24 MS. BROWN: That's all right. I'm Martha Carter
25 Brown appearing for the Commission in the 02 and 04 dockets.

1 MS. STERN: Marlene Stern appearing on behalf of the
2 Commission in the 07 docket.

3 MS. FLEMING: Katherine Fleming appearing on behalf
4 of the Commission in the 03 docket.

5 MS. VINING: Adrienne Vining and Cochran Keating
6 appearing on behalf of the Commission in the 01 docket.

7 CHAIRMAN BAEZ: Thank you, staff.

8 * * * * *

9 CHAIRMAN BAEZ: Which docket is next up, 02?

10 MS. FLEMING: 04.

11 CHAIRMAN BAEZ: 04. I'm sorry. Okay. We'll take up
12 that docket.

13 MS. BROWN: Commissioner, 04 is next. And like 03,
14 this is a stipulated docket. There are no preliminary matters.
15 I note that all representatives of the parties have been
16 excused from attendance at the hearing. We have proposed --
17 the parties have proposed stipulations for all issues and the
18 witnesses have been excused.

19 We request admission of all the witnesses' prefiled
20 testimony into the record as though read.

21 CHAIRMAN BAEZ: And once again, that -- the
22 witness -- the prefiled testimony of the witnesses is as set
23 forth in the prehearing order?

24 MS. BROWN: As set forth in the prehearing order.
25 That's right.

1 CHAIRMAN BAEZ: Without objection, show the prefiled
2 testimony of the witnesses as reflected in the prehearing order
3 moved into the record as though read.

4 MS. BROWN: Commissioner, we also have prepared a
5 comprehensive stipulated exhibit list which identifies all
6 exhibits to the witnesses' prefiled testimony. We request that
7 it be marked as Exhibit 1 and the exhibits be marked
8 sequentially thereafter and that it be moved into the record.

9 CHAIRMAN BAEZ: Are there any changes to the
10 comprehensive exhibit list from the parties, anything that
11 needs to be pointed out?

12 Very well. Without objection, show the exhibit
13 titled "Comprehensive Stipulated Exhibits" marked as Exhibit 1,
14 and that exhibit contains a sequential numbering of the
15 remaining hearing Exhibits 2 through 12, and show them admitted
16 into the record without objection.

17 (Exhibits 1 through 12 marked for identification and
18 admitted in to the record.)

19 (REPORTERS NOTE: Exhibit 1, Comprehensive Stipulated
20 Exhibits List, inadvertently numbered two documents as Exhibit
21 9. The court reporter has labeled GL-2 as Exhibit 9 and GLH-1
22 as Exhibit 9A.)

23

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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 of

5 Chesapeake Utilities Corporation

6 DOCKET NO. 040004-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 2003 through December 2003. 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 2003 through December

1 2003 are contained in Schedule CT-6 of Exhibit BSB-1. Included are our
2 Residential Home Builder Program, Residential Appliance Replacement
3 Program, Residential Water Heater Retention Program, Natural Gas Space
4 Conditioning for Residential Homes Program, Gas Space Conditioning
5 Program, Residential Propane Distribution Program and our Conservation
6 Education Program.

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

10 A. Yes. Schedule CT-2 page 1, Exhibit BSB-1 shows actual expenses
11 for the period, and also shows a comparison of the actual program costs and
12 true-up with the estimated costs and true-up submitted at the November 2003
13 hearing in this docket.

14 Q. What was the total cost incurred by Chesapeake in connection with the seven
15 programs during the twelve months ending December 2003?

16 A. As shown in Exhibit BSB-1, Schedule CT-2, page 2, total program costs were
17 \$1,002,151. This total is \$238,505 more than our projection of the program
18 costs for the twelve month period.

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

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

22 Q. What is Chesapeake's adjusted net true-up for the twelve months ended
23 December 2003?

- 1 A. As shown on Schedule CT-2, page 1, we originally estimated an overrecovery,
2 including interest, of \$92,440. This projected true-up amount was based on
3 conservation revenues of \$855,848 for the period January 2003 through
4 December 2003. However, the approved energy conservation rates for sales
5 and transportation services during this period actually yielded conservation
6 revenues of \$1,025,686, or \$169,838 over projection. Expenses for the
7 period were \$238,505 more than projected. The total difference, including
8 interest, is \$68,758.
- 9 Q. Is this adjusted net true-up of \$68,758 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.

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 of5 The Florida Division of Chesapeake Utilities Corporation6 DOCKET NO. 040004-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 2004 and projections of program costs to
24 be incurred from September through December 2004. It will also include projected
25 conservation costs for the period January 2005 through December 2005, with a calculation of

1 the conservation adjustment factors to be applied to the customers' bills during the collection
2 period of January 1, 2005 through December 31, 2005.

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 2004. Projections for September through December 2004 are also shown on Schedule
14 C-3. Projected expenses for the January 2005 through December 2005 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 2004 through
17 December 2004?

18 A. Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January through August
19 2004. Projections for September through December 2004 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, 2005
23 through December 31, 2005?

24 A. Yes. Schedule C-1 of Exhibit BSB-2 shows this calculation. Net program cost estimates for the
25 period January 1, 2005 through December 31, 2005 are used. The estimated true-up amount

1 from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit BSB-2, being an underrecovery, was added
2 to the total of the projected costs for the twelve-month period. The total amount was then
3 divided among the Company's rate classes, excluding customers who are on market-based rates,
4 based on total projected contribution. The results were then divided by the projected gas
5 throughput for each rate class for the twelve-month period ending December 31, 2005. The
6 resulting factors are shown on Schedule C-1 of Exhibit BSB-2.

7 Q. Does this conclude your testimony?

8 A. Yes, it does.

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

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

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

Q. Please describe your educational and employment background.

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

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

1
2 A. My testimony addresses Peoples' conservation programs, the expenses that Peoples
3 has incurred, the revenues recovered by Peoples through the ECCR clause from
4 January 2004 through August 2004, and the costs that Peoples seeks to recover
5 through the ECCR clause in 2005. My testimony supports the separate conservation
6 programs of both the former Peoples Gas System, Inc. and the former West Florida
7 Natural Gas Company. I will hereinafter refer to the former Peoples Gas System, Inc.
8 territory as Peoples' "non-West Florida Region," and to the former West Florida
9 Natural Gas Company territory as Peoples' "West Florida Region."

10
11 First, my testimony describes generally the actual and projected expenditures made for
12 the purpose of implementing, promoting and operating Peoples' energy conservation
13 programs for the current period. This information includes the adjusted net true-up
14 amounts associated with those programs for the period January 2003 through
15 December 2003. Next, my testimony addresses the actual costs incurred from January
16 2004 through August 2004, and revised projections of program costs that Peoples
17 expects to incur from September 2004 through December 2004. In addition, my
18 testimony presents projected conservation program costs for the period January 2005
19 through December 2005.

20
21 Finally, my testimony presents the calculation of the conservation cost recovery
22 adjustment factors to be applied to customers' bills during the period beginning with
23 the first billing cycle for January 2005 and continuing through the last billing cycle for
24 December 2005.
25

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

2
3 A. Yes. I am sponsoring four exhibits produced under my direction and supervision.
4 Exhibit ____ (KMF-1) contains the conservation cost recovery true-up data for the
5 period January 2003 through December 2003 for Peoples' non-West Florida Region,
6 and Exhibit ____ (KMF-2) contains similar information for the same period for the
7 West Florida Region. Exhibit ____ (KMF-3) contains the conservation cost recovery
8 true-up data for the period January 2004 through August 2004 as well as reprojected
9 expenses for the period September 2004 through December 2004 for Peoples' non-
10 West Florida Region, and Exhibit ____ (KMF-4) contains similar information for the
11 West Florida Region. In addition, Exhibit ____ (KMF-3) consists of Schedules C-1
12 through C-5, which contain information related to the calculation of the ECCR factors
13 to be applied to customers' bills during the period January 2005 through December
14 2005 in Peoples' non-West Florida Region. Exhibit ____ (KMF-4) contains the same
15 schedules and similar information for Peoples' West Florida Region.

16
17 Q. Have you prepared schedules showing the expenditures associated with Peoples'
18 energy conservation programs for the period January 2003 through December 2003?

19
20 A. Yes. Actual expenses for the period January 2003 through December 2003 for
21 Peoples' non-West Florida Region are shown on Schedule CT-2, page 2, of Exhibit
22 ____ (KMF-1). Actual expenses for that period for the West Florida Region are shown
23 on Schedule CT-2, page 2, of Exhibit ____ (KMF-2). In each of these exhibits,
24 Schedule CT-2, page 1 presents a comparison of the actual program costs and true-up
25 amount to the projected costs and true-up amount for the same period.

1
2 Q. What are the Company's true-up amounts for the period January 2003 through
3 December 2003?
4

5 A. With respect to Peoples' non-West Florida Region, as shown on Schedule CT-1 of
6 Exhibit ____ (KMF-1), the end-of-period net true-up for the period is an
7 underrecovery of \$464,811 including both principal and interest. The projected true-up
8 for the period, as approved by Commission Order No. PSC-03-1374-FOF-GU, was an
9 underrecovery of \$737,849 (including interest). Subtracting the projected true-up
10 underrecovery from the actual underrecovery yields the adjusted net true-up of
11 \$273,038 overrecovery (including interest).
12

13 With respect to Peoples' West Florida Region, as shown on Schedule CT-1 of Exhibit
14 ____ (KMF-2), the end-of-period net true-up for the period is an underrecovery of
15 \$968,511 including both principal and interest. The projected true-up for the period, as
16 approved by Commission Order No. PSC-03-1374-FOF-GU, was an underrecovery of
17 \$921,916 (including interest). Subtracting the projected true-up underrecovery from
18 the actual underrecovery yields the adjusted net true-up of \$46,595 underrecovery
19 (including interest).
20

21 Q. Have you prepared summaries of the Company's conservation programs and the
22 projected costs associated with these programs?
23

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

1 West Florida Region are presented in Exhibit ____ (KMF-4), Schedule C-5.
2

3 Q. Have you prepared schedules required for the calculation of Peoples' proposed
4 conservation adjustment factors to be applied during the billing periods from January
5 2005 through and including December 2005?
6

7 A. Yes. Schedule C-3 of Exhibit ____ (KMF-3) (for the non-West Florida Region) and
8 Exhibit ____ (KMF-4) (for the West Florida Region) show actual expenses for the
9 period January 2004 through August 2004 and projected expenses for the period
10 September 2004 through December 2004.
11

12 Projected expenses for the January 2005 through December 2005 period are shown on
13 Schedule C-2 of Exhibits ____ (KMF-3) and ____ (KMF-4). The total annual cost
14 projected represents a continuation of Peoples' active expansion of the availability of
15 natural gas throughout the state of Florida. Schedule C-1 of both exhibits shows the
16 calculation of the conservation adjustment factors. The estimated true-up amount
17 from Schedule C-3 (Page 4) of Exhibit ____ (KMF-3) being an overrecovery, and
18 Exhibit ____ (KMF-4) being an underrecovery, were incorporated into the totals of the
19 projected costs for the January 2005 through December 2005 period. The resulting
20 totals of \$7,445,869 (for the non-West Florida Region) and \$4,052,758 (for the West
21 Florida Region) are the total expenses to be recovered during calendar year 2005.
22 These total expenses were then allocated to the Company's affected rate classes
23 pursuant to the methodology approved by the Commission, divided by the expected
24 consumption of each rate class, and then adjusted for the regulatory assessment fee.
25

1 Schedule C-1 of Exhibit ____ (KMF-3) shows the resulting estimated ECCR revenues
2 and adjustment factors by rate class for Peoples' non-West Florida Region for the
3 period January 2005 through December 2005. Schedule C-1 of Exhibit ____ (KMF-4)
4 shows the resulting estimated ECCR revenues and adjustment factors by rate class for
5 Peoples' West Florida Region for the same period.

6
7 Q. Does this conclude your prefiled direct testimony?

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9 A. Yes, it does.

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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. 040004-GU

6

7

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

8

9

10

**A. My name is Gloria 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 and Business Affairs for its City Gas Division.**

11

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14

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

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16

17

A. Yes, I am.

18

19

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

20

21

22

23

A. Yes, I am.

24

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, 2003, and to identify the final true-up amount related to that
4 period.

5

6 **Q. Has City Gas prepared schedules which show the expenditures**
7 **associated with its energy conservation programs for the period you**
8 **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 during**
14 **this period?**

15

16 A. \$2,534,873.

17

18 **Q. What is the final true-up amount associated with the period**
19 **ending December 31, 2003?**

20

21 A. An under-recovery of \$147,346.

22

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

24

1 A. Yes, it does.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF GLORIA L. LOPEZ

3 ON BEHALF OF

4 CITY GAS COMPANY OF FLORIDA

5 DOCKET NO. 040004-GU

6 September 24, 2004

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

14

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

17

18 **A. Yes, I am.**

19

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

23

24 **A. Yes, I am.**

25

1

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

3

4 A. To submit the conservation cost recovery true-up for the final true-up period
5 January 1, 2003 through December 31, 2003, and for the actual and
6 estimated period of January 1, 2004, through December 31, 2004. I will
7 also present the total level of costs City Gas seeks to recover through its
8 conservation factors during the period January 1, 2005 through December
9 31, 2005, as well as the conservation factors which, when applied to our
10 customer's bills during the period January 1, 2005 through December 31,
11 2005, will permit recovery of total ECCR costs.

12

13 **Q. What is the Company's estimated true-up for the period January 1,
14 2004 through December 31, 2004?**

15

16 A. An under-recovery of \$37,294. This amount is calculated on page 4 of
17 Schedule C-3 and takes into account the final audited true-up for the year
18 ended December 31, 2003, which was an over-recovery of \$552,826,
19 including interest.

20

21 **Q. What is the total cost City Gas seeks to recover during the period
22 January 1, 2005 through December 31, 2005?**

23 A. \$3,365,641. This represents the projected costs of \$3,328,347 to be
24 incurred during 2005, plus the estimated true-up of \$37,294 for calendar
25 year 2004.

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

3

4	A.	GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.09302
5		GS-600 (Sales & Transportation)	\$0.04997
6		GS-1200 (Sales & Transportation)	\$0.03071
7		GS-6k (Sales & Transportation)	\$0.02520
8		GS-25000 (Sales & Transportation)	\$0.02487
9		GS-60000 (Sales & Transportation)	\$0.02432
10		Gas Lights	\$0.04963
11		GS-120000 (Sales & Transportation)	\$0.01789
12		GS-250000 (Sales & Transportation)	\$0.01640

13

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

16

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

20

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

22

23 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 040004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

REVISED

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 Highway,
3 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 Director of
6 Business Development.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2003 through
10 December 31, 2003 as compared to the amount previously reported
11 for that period which was based on eight months actual and four
12 months estimated data.
- 13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the gas divisions of Florida
15 Public Utilities Company for January 1, 2003 through December 31,
16 2003.

- 1 A. The Company under-recovered \$29,466 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.
- 4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission?
- 6 A. We had estimated that we would over-recover \$156,698 as of
7 December 31, 2003.
- 8 Q. Have you prepared any exhibits at this time?
- 9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit RLS-1).
- 11 Q. Does this conclude your testimony?
- 12 A. Yes.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 040004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
GEOFFREY L. HARTMAN
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

- 1 Q. Please state your name and business address.
- 2 A. Geoffrey L. Hartman: my business address is
- 3 P.O. Box 3395, West Palm Beach, Florida 33402-
- 4 3395.
- 5 Q. By whom are you employed and in what capacity?
- 6 A. I am employed by Florida Public Utilities
- 7 Company as Manager, Customer Development.
- 8 Q. What is the purpose of your testimony at this
- 9 time?
- 10 A. To advise the Commission as to the Conservation
- 11 Cost Recovery Clause Calculation for the period
- 12 January 2005 through December 2005 and to
- 13 clarify the use of "Good Cents" branding to
- 14 support Florida Public Utilities conservation
- 15 programs.
- 16 Q. What are the total projected costs for the
- 17 period January 2005 through December 2005 in the
- 18 Consolidated Natural Gas Division?

1 A. The total projected Conservation Program Costs
 2 are \$2,355,000. Please see Schedule C-2, page
 3 2, for the programmatic and functional breakdown
 4 of these total costs.

5 Q. What is the true-up for the period January, 2004
 6 through December, 2004?

7 A. As reflected in the respective "C" schedules,
 8 the True-up amount for the Consolidated Natural
 9 Gas Division is (\$212,911).

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

13 A. The total costs to be recovered are \$2,142,089.

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

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

19 Residential	\$.08838
20 General Service & GS Transportation	\$.03323
21 Large Volume Service & LV Transportation <50,000	\$.02228
22 Large Volume Transportation Service >50,000	\$.02228

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

27 A. Yes. I wish to sponsor as Exhibits Schedules

1 C1, C-2, C-3, and C-5 (Composite Prehearing
2 Identification Number GLH-1), which have been
3 filed with this testimony.
4

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

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

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

12 A. "Good Cents" is a nationally recognized,
13 licensed energy conservation branding program.
14 This program is fuel neutral by design and has
15 been successfully utilized by approximately 300
16 electric and natural gas utilities located
17 across 38 states from Maine, to Florida to
18 California and Washington. In the winter of
19 2000, Florida Public Utilities expanded its 20
20 year old branding license arrangement to include
21 the Commission approved natural gas conservation
22 programs.

23 Q. How does Florida Public Utilities utilize this
24 branding?

25 A. The Company uses the "Good Cents" branding to
26 create an awareness of its energy conservation

1 and fuel neutral programs among consumers,
2 businesses, builders and developers. Florida
3 Public Utilities will leverage the high
4 visibility brand, well established national
5 image of quality, value and savings, established
6 public awareness (nearly 30% national average)
7 and proven promotional lift (average 11%) to
8 build participation in our residential and
9 commercial energy conservation programs. We
10 will apply the branding strategy to promotional
11 activities via broadcast and print media,
12 educational events and collateral materials.
13 Through this branding, end users and specifiers
14 can readily identify where to obtain energy
15 expertise to assist them with their energy
16 decisions.

17 Q. Does Florida Public Utilities Company expect to
18 make any modifications to the manner in which it
19 promotes the approved energy conservation
20 programs during the period January 1, 2005
21 through December 31, 2005?

22 A. Yes. In addition to continued participation in
23 the statewide GetGasFL.com advertising campaign,
24 Florida Public Utilities Company plans to
25 strengthen the GoodCents branding and
26 conservation message by including the

1 conservation brand as a key component to our
2 program name and consumer education message.
3 The program titles will be updated as follows.

- 4 1. **GoodCents Home Program** (Residential New Construction)
- 5 2. **GoodCents Appliance Improvement Program** (Replacement,
6 Electric to Gas conversion)
- 7 3. **GoodCents Conservation Education Program** (Education and
8 Seminars)
- 9 4. **GoodCents Space Conditioning Program** (Space Conditioning
10 Systems)
- 11 5. **GoodCents Energy Survey** (Residential Conservation Service,
12 Energy Survey)
- 13 6. **GoodCents Appliance Upgrade** (RETENTION, Gas to Gas
14 Program)
- 15 7. **GoodCents Builder and Contractor Program**
16 (Dealer/Contractor)
- 17 8. **GoodCents Commercial Energy Survey** (Commercial
18 Conservation)
- 19 9. **GoodCents Natural Gas Service Reactivation** (Residential
20 Service REACTIVATION Program)

21 The GetGasFL.com advertising campaign promotes the
22 energy conservation benefits of gas through the
23 use of multiple media outlets. The campaign
24 directs consumers to common web site. The web

1 site contains additional benefits on the
2 utilization of gas, the availability of gas by
3 region, and contact information, as well as
4 specifics about the energy conservation programs
5 offered.

6 The streanghtened GoodCents branding will also
7 direct consumers to improved web site
8 information services and will be supported in
9 the field by expanded manpower resources and
10 conservation services.

11 Q. Does the campaign meet the guidelines for
12 recovery under Rule 25-17.015, Energy
13 Conservation Cost Recovery?

14 A. Yes, the campaign meets the guidelines
15 established by Rule 25-17.015, Energy
16 Conservation Cost Recovery.

17 Q. Has Florida Public Utilities Company included
18 the estimated cost of the campaign in the
19 projected costs associated with the conservation
20 programs?

21 A. Yes, the estimated cost of the campaign and
22 services are included in the budget projections
23 for 2005.

24 Q. Does this conclude your testimony?

25 A. Yes.

1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2. In Re: Conservation Cost
3. Recovery ClauseDocket No. 040004-EG
Filing Date: April 30, 2004

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, 2003
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 30th day of April, 2004 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, 2003" for identi-
25. fication.

1. Q. What amount did St. Joe Natural Gas spend on conser-
 2. vation programs during the period?
 3. A. \$18,225.00
 4. Q. What is the final true-up amount associated with this
 5. twelve month period ending December 31, 2003?
 6. A. An over-recovery of \$1,375.00?
 7. Q. Does this conclude your testimony?
 9. A. Yes
 - 10.
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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost)
 Recovery Clause)
3 _____)

Docket No. 040004-EG
Submitted for Filing
September 24, 2004

4
5 DIRECT TESTIMONY OF DEBBIE STITT ON
 BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.
6

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 2004 and projection costs to be incurred from Sept.
17 2004 through December 2004. It will also include
18 projected conservation costs for the period January
19 1, 2005 through December 31, 2005 with a calculation
20 of the conservation adjustment factors to be applied
21 to the customers bills during the January 1, 2005
22 through December 31, 2005 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 24th day of September 2004 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, 2005 through December 31, 2005"
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, 2005.

10 A. \$0.00776 per therm for Residential, \$0.00652 per
11 therm for Small Commercial, and \$0.00305 for
12 Commercial.

13 Q. Does this conclude your testimony?

14 A. Yes.

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1 MS. BROWN: Commissioners, the parties request
2 Commission approval of the stipulated Issues 1 through 3 as
3 shown in Pages 5 through 7 of the prehearing order.

4 CHAIRMAN BAEZ: Commissioners, are there any
5 questions of any of the stipulations? Seeing none, is there a
6 motion?

7 COMMISSIONER DEASON: I move approval of stipulated
8 Issues 1 through 3.

9 COMMISSIONER DAVIDSON: Second.

10 CHAIRMAN BAEZ: Motion and a second to approve
11 stipulated Issues 1 through 3. All those in favor, say aye.

12 (Unanimous affirmative vote.)

13 CHAIRMAN BAEZ: Thank you, Commissioners. I think
14 that -- I believe that concludes Docket 04.

15 MS. BROWN: Yes, Commissioner.

16 CHAIRMAN BAEZ: Very well.

17 (Proceeding adjourned.)

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1 STATE OF FLORIDA)
 :
) CERTIFICATE OF REPORTER
 2 COUNTY OF LEON)

3

4 I, LINDA BOLES, RPR, Official Commission
 Reporter, do hereby certify that the foregoing proceeding was
 5 heard at the time and place herein stated.

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

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

12 DATED THIS 17th day of November, 2004.

13

14

Linda Boles

 LINDA BOLES, RPR
 FPSC Official Commission Reporter
 (850) 413-6734

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Comprehensive Stipulated Exhibits for Entry into Hearing Record			
Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description
<i>Staff</i>			
1		Exhibit List- Stip- 1	Comprehensive Stipulated Exhibit List
<i>Testimony Exhibit List</i>			
<i>CUC</i>			
2	Brian S. Bilinski	(BSB-1)	Schedules CT-1 through CT-6
3	Brian S, Bilinski	(BSB-2)	Schedules C-1 through C-4
<i>PGS</i>			
4	Kandi M. Floyd	(KMF-1)	Schedules CT-1 through CT-6 (except PGS West Florida Region)
5	Kandi M. Floyd	(KMF-2)	Schedules CT 1 through CT-6 (PGS West Florida Region)
6	Kandi M. Floyd	(KMF-3)	Schedules C-1 through C-5 (except PGS West Florida Region)
7	Kandi M. Floyd	(KMF-4)	Schedules C-1 through C-5 (PGS West Florida Region)
<i>City Gas</i>			
8	Gloria Lopez	(GL-1)	Schedules CT-1, CT-2 and CT-3
9	Gloria Lopez	(GL-2)	Schedules C-1 C-2, C-3, C-5
<i>FPUC</i>			
9 A	Geoffrey Hartman	(GLH-1)	Schedules C-1, C-2, C-3 and C-5
10	Robert L. Smith	(RLS-1)	Schedules CT-1 through CT-5
<i>SJNG</i>			
11	Debbie Stitt	(DKS-1)	Schedules CT-1 through CT-5
12	Debbie Stitt	(DKS-2)	Schedules C-1, C-2, C-3 and C-5

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO. 1
COMPANY/ F.P.S.C. Staff
WITNESS. Exhibit List- Stip-1
DATE: 11-08-04

Docket No. 040004-GU

Exhibit _____ (BSB-1)

CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY TRUE-UP
January 1, 2003 through December 31, 2003

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO 2
COMPANY/ CUC
WITNESS. Belan S. Bilinski (BSB-1)
DATE: 11-08-04

CONTENTS

Schedule CT-1		
(1 of 1)	Adjusted Net True-up	1
Schedule CT-2		
(1 of 3)	Analysis of Energy Conservation Costs Actual vs. Estimated	2
(2 of 3)	Actual Conservation Program Costs per Program	3
(3 of 3)	Conservation Costs Per Program- Variance Actual vs. Projected	4
Schedule CT-3		
(1 of 3)	Energy Conservation Adjustment Calculation of True-Up and Interest Provision- Summary of Expenses by Program by Month	5
(2 of 3)	Energy Conservation Adjustment Calculation of True-Up and Interest Provision	6
(3 of 3)	Calculation of True-Up and Interest Provision	7
Schedule CT-4		
(1 of 1)	Schedule of Capital Investments, Depreciation and Return	8
Schedule CT-5		
(1 of 1)	Reconciliation and Explanation of Differences Between Filing and PSC Audit Report for 2003. Variance Actual vs. Projected	9
Schedule CT-6		
(1 of 8)	Program Description and Progress Residential Home Builder Program	10

(2 of 8)	Program Description and Progress Residential Appliance Replacement Program	11
(3 of 8)	Program Description and Progress Residential Water Heater Retention Program	12
(4 of 8)	Program Description and Progress Residential Space Conditioning Program	13
(5 of 8)	Program Description and Progress Gas Space Conditioning Program	14
(6 of 8)	Program Description and Progress Residential Propane Distribution Program	15
(7 of 8)	Program Description and Progress Conservation Education Program	16
(8 of 8)	Program Description and Progress Conservation Education Program (Continued)	17

SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation
Docket No. 040004-GU
Exhibit BSB-1
Page 1 of 17

ADJUSTED NET TRUE-UP
FOR MONTH JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPLE	(23,534)	
INTEREST	<u>(148)</u>	(23,682)

LESS PROJECTED TRUE-UP

PRINCIPLE	(92,202)	
INTEREST	<u>(238)</u>	<u>(92,440)</u>

ADJUSTED NET TRUE-UP		<u>68,758</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	369,505	431,219	(51,714)
MATERIALS & SUPPLIES	63,209	28,142	35,067
ADVERTISING	87,386	78,847	8,539
INCENTIVES	344,700	162,732	181,968
OUTSIDE SERVICES	115,848	62,706	53,142
VEHICLES	14,098	0	14,098
OTHER	7,406	0	7,406
SUB-TOTAL	1,002,151	763,646	238,505
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	1,002,151	763,646	238,505
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(1,025,686)	(855,848)	(169,838)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(23,534)	(92,202)	68,668
INTEREST PROVISION	<u>(148)</u>	<u>(238)</u>	<u>90</u>
END OF PERIOD TRUE-UP	<u>(23,682)</u>	<u>(92,440)</u>	<u>68,758</u>

() REFLECTS OVER-RECOVERY
* 5 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	170,946	20,621	43,423	314,550	33,932	7,671	5,695	596,839
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	64,409	12,078	16,777	9,100	19,618	1,989	917	124,867
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	12,921	546	25	0	3,968	271	0	17,732
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	15,768	6,328	167	16,550	10,319	787	167	50,086
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	700	0	0	0	0	0	0	700
PROGRAM 6: GAS SPACE CONDITIONING	0	577	0	0	4,500	33	34	0	5,145
PROGRAM 7: CONSERVATION EDUCATION	0	104,184	23,636	26,994	0	47,977	3,346	627	206,764
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	369,505	63,209	87,386	344,700	115,848	14,098	7,406	1,002,151

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	(18,700)	11,734	12,376	173,000	12,327	7,671	5,695	204,104
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	(11,231)	8,840	(938)	389	10,660	1,989	917	10,625
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	2,414	70	(371)	0	3,499	271	0	5,884
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	(10,062)	5,328	(1,615)	8,579	9,201	787	167	12,385
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	(117)	0	0	0	0	0	0	(117)
PROGRAM 6: GAS SPACE CONDITIONING	0	425	0	0	0	33	34	0	493
PROGRAM 7: CONSERVATION EDUCATION	0	(24,443)	9,095	(913)	0	17,421	3,346	627	5,133
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 TOTAL OF ALL PROGRAMS	0	(61,714)	35,067	8,539	181,968	53,142	14,098	7,406	238,505

() 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 2003 THROUGH DECEMBER 2003

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	44,493	30,832	42,799	56,916	39,143	54,178	38,621	73,260	41,518	84,171	51,128	39,777	596,839
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	8,265	11,692	10,723	10,965	6,303	8,640	5,954	15,543	9,748	13,672	8,213	15,169	124,887
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	2,830	5,109	919	1,230	514	779	467	3,500	1,505	291	588	17,732
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	2,712	3,033	1,836	2,794	2,503	1,949	4,350	3,650	4,629	7,487	4,627	10,415	50,086
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	249	396	0	0	55	0	0	0	0	0	0	0	700
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	70	82	0	118	0	0	4,500	0	375	5,145
PROGRAM 7: CONSERVATION EDUCATION	19,323	21,389	22,043	20,568	11,959	7,685	9,785	15,847	17,641	22,747	13,700	24,077	206,764
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	75,042	70,172	82,510	92,233	61,375	72,966	59,607	108,767	77,037	134,081	77,960	90,401	1,002,151
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	75,042	70,172	82,510	92,233	61,375	72,966	59,607	108,767	77,037	134,081	77,960	90,401	1,002,151

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

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	(152,440)	(146,620)	(101,355)	(101,124)	(87,522)	(75,224)	(73,425)	(75,636)	(76,242)	(80,025)	(87,766)	(117,532)	(1,174,911)
4. TOTAL REVENUES	(152,440)	(146,620)	(101,355)	(101,124)	(87,522)	(75,224)	(73,425)	(75,636)	(76,242)	(80,025)	(87,766)	(117,532)	(1,174,911)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	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
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(140,004)	(134,184)	(88,919)	(88,689)	(75,087)	(62,789)	(60,990)	(63,200)	(63,807)	(67,589)	(75,330)	(105,097)	(1,025,686)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	75,042	70,172	82,510	92,233	61,375	72,966	59,607	108,767	77,037	134,081	77,960	90,401	1,002,151
8. TRUE-UP THIS PERIOD	(64,962)	(64,012)	(6,409)	3,544	(13,712)	10,177	(1,383)	45,567	13,230	66,492	2,630	(14,695)	(23,534)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	118	35	(14)	(28)	(45)	(55)	(58)	(51)	(36)	(12)	7	(9)	(148)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	149,225	71,946	(4,466)	(23,325)	(32,245)	(58,437)	(60,751)	(74,627)	(41,546)	(40,788)	13,256	3,457	
11 PRIOR TRUE-UP COLLECTED/(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)	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	71,946	(4,466)	(23,325)	(32,245)	(58,437)	(60,751)	(74,627)	(41,546)	(40,788)	13,256	3,457	(23,682)	(23,682)

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

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	149,225	71,946	(4,466)	(23,325)	(32,245)	(58,437)	(60,751)	(74,627)	(41,546)	(40,788)	13,256	3,457	
2. ENDING TRUE-UP BEFORE INTEREST	<u>71,828</u>	<u>(4,502)</u>	<u>(23,311)</u>	<u>(32,217)</u>	<u>(58,392)</u>	<u>(60,696)</u>	<u>(74,569)</u>	<u>(41,496)</u>	<u>(40,752)</u>	<u>13,268</u>	<u>3,450</u>	<u>(23,673)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	221,053	67,444	(27,777)	(55,542)	(90,637)	(119,133)	(135,320)	(116,122)	(82,298)	(27,520)	16,707	(20,216)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>110,526</u>	<u>33,722</u>	<u>(13,889)</u>	<u>(27,771)</u>	<u>(45,318)</u>	<u>(59,567)</u>	<u>(67,660)</u>	<u>(58,061)</u>	<u>(41,149)</u>	<u>(13,760)</u>	<u>8,353</u>	<u>(10,108)</u>	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.31%	1.26%	1.25%	1.22%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.05%	1.00%	
6. INTER. RATE - 1ST DAY OF 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>1.06%</u>	<u>1.05%</u>	<u>1.00%</u>	<u>1.06%</u>	
7. TOTAL (SUM LINES 5 & 6)	2.57%	2.51%	2.47%	2.41%	2.40%	2.21%	2.05%	2.11%	2.12%	2.11%	2.05%	2.06%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.29%	1.26%	1.24%	1.21%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.03%	1.03%	
9. MONTHLY AVG INTEREST RATE	0.11%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	<u>118</u>	<u>35</u>	<u>(14)</u>	<u>(28)</u>	<u>(45)</u>	<u>(55)</u>	<u>(58)</u>	<u>(51)</u>	<u>(36)</u>	<u>(12)</u>	<u>7</u>	<u>(9)</u>	<u>(148)</u>

Exhibit No. _____ (BSB-1)
Docket No. 040004-GU
CHESAPEAKE UTILITIES CORPORATION
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Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit
Report for January 2003 through December 2003.

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 2003 through December 2003, we estimated that 630 homes would be connected to the system. During this period, allowances were actually paid for building 563 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$596,839.

Program Progress Summary:

Since the program's inception, 6,519 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.

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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 2003 through December 2003, we estimated that 120 residences would qualify for incentives during this period. In actuality, 41 residences qualified for incentives.

Program Fiscal Expenditures:
For this twelve-month period, CUC incurred program costs of \$124,887.

Program Summary:
Since inception, 235 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 2003 through December 2003, we estimated that 156 natural gas water heaters would qualify for this program. In actuality, 122 rebates were paid for natural gas water heaters installed.

Program Fiscal Expenditures:
For this twelve-month period, CUC incurred program costs of \$50,086.

Program Summary:
Since inception, 641 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
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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

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:

The projected expenses for this period were \$817.

Program Fiscal Expenditures:

Program cost totaled \$700 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
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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 Projections:
The expenses projected for this period were \$4,652.

Program Fiscal Expenditures:
Program cost totaled \$5,145 for this twelve-month period.

Program Summary:
Eight 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 \$17,732 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
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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

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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 \$206,764 for this twelve-month period.

Docket No. 040004-GU

Exhibit _____ (BSB-2)

THE FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY PROJECTION
JANUARY 1, 2005 THROUGH DECEMBER 31, 2005

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO 3
COMPANY/ CUC
WITNESS. Brian S. Bilinski (BSB-2)
DATE 11-08-04

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 JANUARY 2005 THROUGH DECEMBER 2005

1. INCREMENTAL COSTS (SCHEDULE C-2)	928,999
2. TRUE-UP (SCHEDULE C-3)	<u>78,457</u>
3. TOTAL	<u>1,007,456</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	PEREXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
TS-1A	32,512	310,544	\$325,120	\$136,866	\$461,986	\$58,532	12.6696%	0.1885	1.00503	0.18943
TS-1B	49,384	798,066	\$617,300	\$351,732	\$969,032	\$122,773	12.6696%	0.1538	1.00503	0.15461
TS-1C	52,024	1,378,576	\$780,360	\$607,580	\$1,387,940	\$175,847	12.6696%	0.1276	1.00503	0.12820
TS-2	14,658	1,168,561	\$403,095	\$343,043	\$746,138	\$94,533	12.6696%	0.0809	1.00503	0.08130
TS-3	4,636	1,912,250	\$197,030	\$483,512	\$680,542	\$86,222	12.6696%	0.0451	1.00503	0.04532
TS-4	1,811	1,895,000	\$99,605	\$419,401	\$519,006	\$65,756	12.6696%	0.0347	1.00503	0.03487
TS-5	408	1,095,000	\$51,000	\$205,882	\$256,882	\$32,546	12.6696%	0.0297	1.00503	0.02987
TS-6	228	1,065,000	\$45,600	\$156,651	\$202,251	\$25,624	12.6696%	0.0241	1.00503	0.02418
TS-7	564	9,800,000	\$169,200	\$957,852	\$1,127,052	\$142,793	12.6696%	0.0146	1.00503	0.01464
TS-8	156	8,212,000	\$78,000	\$716,333	\$794,333	\$100,639	12.6696%	0.0123	1.00503	0.01232
TS-9	84	9,475,000	\$58,800	\$747,767	\$806,567	\$102,189	12.6696%	0.0108	1.00503	0.01084
TOTAL	156,465	37,109,997	\$2,825,110	\$5,126,619	\$7,951,729	\$1,007,456	12.6696%			

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL HOME BUILDER	0	207,381	36,000	17,500	380,000	10,000	17,627	0	668,508
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)	0	57,369	15,000	11,427	6,392	0	2,553	0	92,741
3. RESIDENTIAL PROPANE DISTRIBUTION	0	9,998	5,035	491	0	0	478	0	16,002
4. RESIDENTIAL WATER HEATER RETENTION (908G)	0	22,991	10,009	506	9,261	0	3,219	0	45,986
5. NG SPACE CONDITIONING	0	929	135	0	0	0	65	0	1,129
6. GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
7. EDUCATION	0	67,788	17,500	15,350	0	0	3,995	0	104,633
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	366,456	83,679	45,274	395,653	10,000	27,937	0	928,999
LESS: AMOUNT IN RATE BASE	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSER.	0	366,456	83,679	45,274	395,653	10,000	27,937	0	928,999

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1. RESIDENTIAL HOME BUILDER									
A. ACTUAL	0	165,674	4,751	22,201	286,010	29,050	6,992	14,851	529,528
B. ESTIMATED	0	54,930	2,350	10,100	84,675	10,748	5,624	5,595	174,022
C. TOTAL	0	220,604	7,101	32,301	370,685	39,797	12,616	20,446	703,549
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)									
A. ACTUAL	0	54,938	2,540	11,360	3,650	7,050	2,910	1,581	84,029
B. ESTIMATED	0	20,591	1,270	4,255	1,800	3,525	1,407	817	33,664
C. TOTAL	0	75,529	3,810	15,614	5,450	10,575	4,318	2,397	117,693
3. RESIDENTIAL PROPANE DISTRIBUTION (908F)									
A. ACTUAL	0	8,071	4,361	663	0	19,419	186	806	33,506
B. ESTIMATED	0	2,553	70	25	0	3,103	132	0	5,883
C. TOTAL	0	10,624	4,432	688	0	22,521	318	806	39,389
4. RESIDENTIAL WATER HEATER RETENTION (908G)									
A. ACTUAL	0	10,233	1,096	1,230	7,150	4,538	557	1,438	26,241
B. ESTIMATED	0	7,429	548	167	5,750	2,269	549	167	16,879
C. TOTAL	0	17,662	1,644	1,397	12,900	6,807	1,106	1,605	43,120
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES (908D)									
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
6. GAS SPACE CONDITIONING (9088)									
A. ACTUAL	0	873	60	0	0	0	28	0	960
B. ESTIMATED	0	0	319	0	0	33	23	0	375
C. TOTAL	0	873	378	0	0	33	51	0	1,335
7. EDUCATION (908A)									
A. ACTUAL	0	64,968	1,770	10,143	0	5,001	3,171	1,783	86,835
B. ESTIMATED	0	24,947	10,965	6,356	0	18,102	2,269	527	63,166
C. TOTAL	0	89,914	12,736	16,499	0	23,102	5,440	2,310	150,001
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	415,206	30,100	66,499	389,035	102,836	23,848	27,564	1,055,088

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR PERIOD: JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS PROJECTED

DESCRIPTION	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1. HOME BUILDER PROGRAM	41,526	17,697	104,795	77,941	72,434	95,536	66,370	53,229	43,505	43,505	43,505	43,505	703,549
2. RES. APPLIANCE REPLACEMENT	13,001	6,944	11,278	12,504	12,092	11,006	10,195	7,008	8,416	8,416	8,416	8,416	117,693
3. RES PROPANE DISTRIBUTION	1,623	2,036	1,253	3,885	11,345	8,078	1,661	3,626	1,471	1,471	1,471	1,471	39,389
4. RES WATER HEATER RETENTION	3,645	3,095	3,799	3,321	2,102	4,214	3,399	2,667	4,220	4,220	4,220	4,220	43,120
5. NG SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
6. GAS SPACE CONDITIONING	901	60	0	0	0	0	0	0	94	94	94	94	1,335
7. EDUCATION	13,440	12,119	10,647	10,916	9,746	9,273	10,403	10,290	15,791	15,791	15,791	15,791	150,001
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	74,136	41,950	131,772	108,568	107,718	128,107	92,028	76,820	73,497	73,497	73,497	73,497	1,055,068
LESS:													
BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RECOVERABLE	74,136	41,950	131,772	108,568	107,718	128,107	92,028	76,820	73,497	73,497	73,497	73,497	1,055,068

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD: JANUARY 2004 THROUGH DECEMBER 2004
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.	(91,513)	(79,855)	(118,072)	(81,478)	(70,689)	(53,563)	(57,152)	(56,101)	(70,000)	(75,000)	(80,000)	(120,000)	(953,423)
4. TOTAL REVENUES	(91,513)	(79,855)	(118,072)	(81,478)	(70,689)	(53,563)	(57,152)	(56,101)	(70,000)	(75,000)	(80,000)	(120,000)	(953,423)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(1,974)	(1,973)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(23,682)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(93,486)	(81,828)	(120,046)	(83,451)	(72,662)	(55,536)	(59,126)	(58,075)	(71,974)	(76,974)	(81,974)	(121,974)	(977,104)
7. CONSERV. EXPS.	74,136	41,950	131,772	108,568	107,718	128,107	92,028	76,820	73,497	73,497	73,497	73,497	1,055,088
8. TRUE-UP THIS PERIOD	(19,350)	(39,878)	11,726	25,116	35,055	72,571	32,903	16,746	1,524	(3,476)	(8,476)	(48,476)	77,983
9. INTER. PROVISION THIS PERIOD	(29)	(52)	(60)	(43)	(17)	35	106	122	109	110	107	85	474
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(23,682)	(41,088)	(79,043)	(65,404)	(38,357)	(1,345)	73,236	108,218	129,058	132,664	131,271	124,875	(23,682)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	23,682
12. TOTAL NET TRUE-UP	(41,068)	(79,043)	(65,404)	(38,357)	(1,345)	73,236	108,218	129,058	132,664	131,271	124,875	78,457	78,457

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: JANUARY 2004 THROUGH DECEMBER 2004
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	(23,682)	(41,088)	(79,043)	(65,404)	(38,357)	(1,345)	73,236	108,218	129,058	132,684	131,271	124,875	
2. ENDING TRUE-UP BEFORE INTEREST	(41,059)	(78,992)	(65,344)	(38,314)	(1,328)	73,200	108,112	128,936	132,555	131,161	124,768	78,372	
3. TOTAL BEGINNING & ENDING TRUE-UP	(64,741)	(120,079)	(144,387)	(103,717)	(39,684)	71,855	181,347	237,154	261,614	263,826	256,040	203,247	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(32,370)	(60,040)	(72,194)	(51,859)	(19,842)	35,928	90,674	118,577	130,807	131,913	128,020	101,624	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	1.06%	1.06%	1.01%	0.98%	1.01%	1.04%	1.33%	1.47%	1.00%	1.00%	1.00%	1.00%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	1.06%	1.01%	0.98%	1.01%	1.04%	1.33%	1.47%	1.00%	1.00%	1.00%	1.00%	1.00%	
7. TOTAL (SUM LINES 5 & 6)	2.12%	2.07%	1.99%	1.99%	2.05%	2.37%	2.80%	2.47%	2.00%	2.00%	2.00%	2.00%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	1.06%	1.04%	1.00%	0.99%	1.02%	1.19%	1.40%	1.24%	1.00%	1.00%	1.00%	1.00%	
9. MONTHLY AVG INTEREST RATE	0.09%	0.09%	0.08%	0.08%	0.09%	0.10%	0.12%	0.10%	0.08%	0.08%	0.08%	0.08%	
10. INTEREST PROVISION	(29)	(52)	(60)	(43)	(17)	35	106	122	109	110	107	85	474

Schedule C-4
Page 1 of 7

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 2004 through August 2004, 783 residences qualified under the Residential Home Builder Program. We estimate 167 new homes will qualify during the period September 2004 through December 2004.

Program Fiscal Expenditures:
For the eight-month period January 2004 through August 2004, CUC incurred costs of \$529,528 for the Residential Home Builder Program. For September 2004 through December 2004, costs are estimated to be \$174,022.

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 2004 through August 2004, 9 residences qualified under the Residential Appliance Replacement Program. We estimate an additional 8 residences will qualify for incentives during the period September 2004 through December 2004.

Program Fiscal Expenditures:
For the eight-month period January 2004 through August 2004, CUC incurred costs of \$84,029 for the Residential Appliance Replacement Program. During September 2004 through December 2004 costs are estimated to be \$33,664.

Schedule C-4
Page 3 of 7

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 distribute 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 2004 through August 2004, CUC incurred costs of \$33,506 for the Residential Propane Distribution Program. During September 2004 through December 2004 costs are estimated to be \$5,883.

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 2004 through August 2004, CUC incurred program costs of \$86,835 for this program. For September 2004 through December 2004, expenditures are estimated to be \$63,166 for this program.

Schedule C-4
Page 5 of 7

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 2004 through August 2004, CUC didn't pay any allowances on this program. Minimal activity is projected in this program for the remainder of 2004.

Program Fiscal Expenditures:

For the eight-month period January 2004 through August 2004, CUC did not incur any costs of for the Natural Gas Space Conditioning for Residential Homes Program.

Schedule C-4
Page 6 of 7

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 2004 through August 2004, CUC didn't pay any allowances on this program.

Program Fiscal Expenditures:

For the eight-month period January 2004 through August 2004, CUC incurred \$960 for the Gas Space Conditioning Program. For September 2004 through December 2004, expenditures are estimated to be \$375 for this program.

Schedule C-4
Page 7 of 7

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 2004 through August 2004, CUC paid allowances on 85 water heaters. We estimate we will pay allowances on 44 additional water heaters during the period of September 2004 through December 2004.

Program Fiscal Expenditures:

For the eight-month period January 2004 through August 2004, CUC incurred program costs of \$26,241 for this program. For September 2004 through December 2004, expenditures totaling \$16,879 are anticipated.

PEOPLES GAS SYSTEM

*orig for
transcript*

NATURAL GAS

CONSERVATION COST RECOVERY

TRUE-UP

JANUARY 2003 - DECEMBER 2003

DOCKET NO. 040004-GU

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 040004-GU EXHIBIT NO. 4

COMPANY/ PGS

WITNESS. Kendi M. Floyd (KME-1)

DATE 11-08-04

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<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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KMF-2	CT Schedules West Florida Region	16

SCHEDULE CT-1

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

ADJUSTED NET TRUE-UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPAL	465,822	
INTEREST	<u>-1,011</u>	464,811

LESS PROJECTED TRUE-UP

PRINCIPAL	738,761	
INTEREST	<u>-912</u>	<u>737,849</u>

ADJUSTED NET TRUE-UP		<u>-273,038</u>
----------------------	--	-----------------

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	426,507	420,494	6,013
MATERIALS & SUPPLIES	3,105	7,061	-3,956
ADVERTISING	868,437	875,274	-6,837
INCENTIVES	7,654,035	7,608,148	45,887
OUTSIDE SERVICES	1,009	3,593	-2,584
VEHICLES	0	0	0
OTHER	837	3,898	-3,061
SUB-TOTAL	8,953,930	8,918,468	35,462
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	8,953,930	8,918,468	35,462
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,488,108	0	-8,488,108
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	465,822	8,918,468	-8,452,646
INTEREST PROVISION	-1,011	0	-1,011
END OF PERIOD TRUE-UP	464,811	8,918,468	-8,453,657

() REFLECTS OVER-RECOVERY
*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	7,010,335	0	0	0	7,010,335
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	2,835	0	0	0	2,835
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	226,800	0	0	0	226,800
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	68,212	0	0	0	68,212
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	277,103	0	0	0	277,103
PROGRAM 6: COMMON COSTS	426,507	3,105	868,437	0	1,009	0	837	1,299,895
PROGRAM 7: GAS SPACE COND.	0	0	0	63,750	0	0	0	63,750
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	5,000	0	0	0	5,000
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	426,507	3,105	868,437	7,664,035	1,009	0	837	8,953,930

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COMPANY: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 040004-GU
 KMF-1

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	116,860	0	0	0	116,860
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	-3,002	0	0	0	-3,002
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-1,600	0	0	0	-1,600
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-26,756	0	0	0	-26,756
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-46,490	0	0	0	-46,490
PROGRAM 6: COMMON COSTS	6,013	-3,956	-6,837	0	-2,584	0	-3,061	-10,425
PROGRAM 7: GAS SPACE COND.	0	0	0	20,207	0	0	0	20,207
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	-13,332	0	0	0	-13,332
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	6,013	-3,956	-6,837	45,887	-2,584	0	-3,061	35,462

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

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COMPANY:

Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
PROGRAM 1:	525,860	477,380	474,860	653,775	914,655	690,543	571,262	560,805	523,615	672,530	486,025	459,025	7,010,335
PROGRAM 2:	660	660	330	0	0	0	330	525	0	0	330	0	2,835
PROGRAM 3:	25,900	16,100	16,500	24,600	12,400	24,300	17,000	14,800	16,600	17,300	19,600	21,700	226,800
PROGRAM 4:	9,440	6,840	6,152	9,200	900	1,840	9,480	2,060	2,500	8,880	1,760	9,160	68,212
PROGRAM 5:	28,158	25,545	27,753	24,813	13,288	26,058	26,510	19,088	24,498	17,605	28,660	15,130	277,103
PROGRAM 6:	63,961	159,017	97,173	118,731	98,048	47,288	92,233	117,069	53,764	129,028	124,265	199,319	1,299,895
PROGRAM 7:	0	4,500	9,375	0	3,000	0	0	0	36,000	0	0	10,875	63,750
PROGRAM 8:	0	0	0	0	0	5,000	0	0	0	0	0	0	5,000
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	653,978	690,042	632,143	831,118	1,042,291	796,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	653,978	690,042	632,143	831,118	1,042,291	796,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930

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

CONSERVATION REVENUES	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-563,674	-559,734	-617,297	-854,357	-8,869,038
4. TOTAL REVENUES	-1,224,726	-1,150,491	-821,511	-713,343	-644,000	-585,526	-562,716	-571,665	-563,674	-559,734	-617,297	-854,357	-8,869,038
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS 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
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-1,192,981	-1,118,746	-789,766	-681,599	-612,256	-553,782	-530,972	-539,921	-531,929	-527,990	-585,552	-822,613	-8,488,108
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	653,978	690,042	632,143	831,118	1,042,291	795,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930
8. TRUE-UP THIS PERIOD	-539,003	-428,704	-157,624	149,519	430,035	241,247	185,843	174,426	125,047	317,353	75,088	-107,404	465,822
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	102	-441	-755	-772	-525	-204	-34	96	200	366	497	458	-1,011
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	380,930	-189,715	-650,605	-840,728	-723,724	-325,958	-116,659	37,406	180,183	273,686	559,661	603,501	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	-31,744	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	-189,715	-650,605	-840,728	-723,724	-325,958	-116,659	37,406	180,183	273,686	559,661	603,501	464,811	464,811

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

	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	380,930	-189,715	-650,605	-840,728	-723,724	-325,958	-116,659	37,406	180,183	273,686	559,661	603,501	
2. ENDING TRUE-UP BEFORE INTEREST	-189,617	-650,164	-839,973	-722,952	-325,433	-116,455	37,439	180,087	273,486	559,295	603,005	484,353	
3. TOTAL BEGINNING & ENDING TRUE-UP	191,113	-839,879	-1,490,578	-1,563,680	-1,049,158	-442,413	-79,220	217,493	453,669	832,981	1,162,666	1,067,854	
4. AVERAGE TRUE-UP (LINE 3 TIMES 60%)	95,556	-419,940	-745,289	-781,840	-524,579	-221,207	-39,610	108,746	226,834	416,491	581,333	533,927	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	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%	2.110%	2.050%	2.060%	
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%	1.055%	1.025%	1.030%	
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%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	102	-441	-755	-772	-525	-204	-34	96	200	366	497	458	-1,011

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RESIDENTIAL HM BUILDER

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:	Water Heater	\$250
	Furnace	\$250
	Range	\$85
	Dryer	\$85

Program Summary

New Home Goal:	10,289
New Homes Connected:	<u>10,463</u>
Variance:	-174
Percent of Goal:	101.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$6,893,475
Actual Cost:	\$7,010,335
Variance:	-\$116,860

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: OIL HEAT REPLACEMENT

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

Program Allowance: Energy Efficient Gas Furnaces \$330

Program Summary

Goals:	18
Actual:	9
Variance:	9
Percent of Goal:	48.6%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$5,837
Actual Cost:	\$2,835
Variance:	\$3,002

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COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: Water Heater Load Retention

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating.
The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Water Heater \$100

Program Summary

Goals:	2,284
Actual:	2,268
Variance:	16
Percent of Goal:	99.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$228,400
Actual Cost:	\$226,800
Variance:	\$1,600

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMM ELECTRIC REPLACEMENT

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 each kW Displaced **\$40**

Program Summary

Goals: (Projected kW Displaced)	2374
Actual:	1,705
Variance:	669
Percent of Goal:	71.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$94,968
Actual Cost:	\$68,212
Variance:	\$26,756

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RES ELECTRIC REPLACEMENT

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	\$440
Furnace	\$440
Range	\$75
Dryer	\$75
Space Heating	\$65

Program Summary

Goals:	564
Actual:	483
Variance:	81
Percent of Goal:	85.6%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$323,593
Actual Cost:	\$277,103
Variance:	\$46,490

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,310,320
Actual Cost:	\$1,299,895
Variance:	\$10,425

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: GAS SPACE COND.

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: \$150 / ton

Program Summary

Program Goal:	290
Program Accomplishments:	425
Variance:	-135
Percent of Goal:	146.4%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$43,543
Actual Cost:	\$63,750
Variance:	-\$20,207

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: SMALL PACKAGE COGEN

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.

Program Summary:	kW Deferred	\$150 / kW
	Feasibility Study	\$5,000

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$18,332
Actual Cost:	\$5,000
Variance:	\$13,332

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
WEST FLORIDA REGION

Exhibit No. _____

Docket No. 040004-GU

KMF-2

ADJUSTED NET TRUE-UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPAL	961,430	
INTEREST	<u>7,082</u>	968,511

LESS PROJECTED TRUE-UP

PRINCIPAL	914,950	
INTEREST	<u>6,966</u>	<u>921,916</u>

ADJUSTED NET TRUE-UP		<u>46,595</u>
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() REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 040004-GU EXHIBIT NO. 5

COMPANY/ PGS

WITNESS: Kandi M. Floyd (KMF-2)

DATE 11-08-04

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	69,909	76,262	-6,353
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	142,598	145,417	-2,819
INCENTIVES	2,479,191	2,327,383	151,808
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>1,667</u>	<u>-1,667</u>
SUB-TOTAL	2,691,698	2,550,729	140,969
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	2,691,698	2,550,729	140,969
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-1,730,268	0	-1,730,268
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	961,430	2,550,729	-1,589,299
INTEREST PROVISION	<u>7,082</u>	<u>0</u>	<u>7,082</u>
END OF PERIOD TRUE-UP	<u>968,511</u>	<u>2,550,729</u>	<u>-1,582,218</u>

() REFLECTS OVER-RECOVERY
*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

SCHEDULE CT-2

PAGE 2 OF 3

COMPANY:

PEOPLES GAS SYSTEM

WEST FLORIDA REGION

Exhibit No. _____

Docket No. 040004-GU

KMF-2

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	2,406,050	0	0	0	2,406,050
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	7,050	0	0	0	7,050
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	34,900	0	0	0	34,900
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	6,141	0	0	0	6,141
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	25,050	0	0	0	25,050
PROGRAM 6: COMMON COSTS	69,909	0	142,598	0	0	0	0	212,507
PROGRAM 7: GAS SPACE COND.	0	0	0	0	0	0	0	0
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	69,909	0	142,598	2,479,191	0	0	0	2,691,698

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CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	185,634	0	0	0	185,634
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	-3,750	0	0	0	-3,750
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-832	0	0	0	-832
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-6,262	0	0	0	-6,262
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-17,982	0	0	0	-17,982
PROGRAM 6: COMMON COSTS	-6,353	0	-2,819	0	0	0	-1,667	-10,839
PROGRAM 7: GAS SPACE COND	0	0	0	-5,000	0	0	0	-5,000
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	-6,353	0	-2,819	151,808	0	0	-1,667	140,969

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
PROGRAM 1:	336,400	215,000	168,100	242,100	248,550	136,950	129,500	287,600	121,500	194,100	211,200	115,050	2,406,050
PROGRAM 2:	1,050	350	800	1,150	350	750	350	1,000	300	350	450	150	7,050
PROGRAM 3:	5,000	2,000	3,600	2,600	2,100	3,400	1,300	3,700	3,200	1,000	5,700	1,300	34,900
PROGRAM 4:	0	540	621	1,200	300	1,410	0	0	720	0	0	1,350	6,141
PROGRAM 5:	3,100	3,250	3,750	3,950	600	1,150	1,950	1,950	700	1,300	1,750	1,600	25,050
PROGRAM 6:	9,288	24,129	12,018	19,468	20,148	7,972	13,603	15,347	12,079	32,314	42,586	3,556	212,507
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	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,691,698
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,691,698

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

CONSERVATION REVENUES	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	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	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-122,931	-130,911	-113,789	-199,977	-2,260,342
4. TOTAL REVENUES	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-122,931	-130,911	-113,789	-199,977	-2,260,342
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS 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
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-347,339	-306,412	-158,606	-108,275	-182,759	-77,472	-84,380	-74,107	-78,759	-86,738	-69,616	-155,805	-1,730,268
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,591,698
8. TRUE-UP THIS PERIOD	7,498	-61,143	30,282	162,193	89,289	74,160	62,322	235,490	59,740	142,327	192,070	-32,799	961,430
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	546	463	387	429	517	511	495	602	697	744	828	864	7,082
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	530,074	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	968,511	968,511

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

	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	530,074	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	
2. ENDING TRUE-UP BEFORE INTEREST	493,400	388,629	375,202	493,609	539,154	569,658	588,318	780,130	796,299	895,150	1,043,791	967,648	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,023,474	882,575	764,295	869,198	1,033,192	1,109,328	1,158,486	1,368,943	1,577,031	1,692,146	1,939,684	2,012,267	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	511,737	441,287	382,147	434,599	516,596	554,664	579,243	684,471	788,516	846,073	969,842	1,006,133	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	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%	2.110%	2.050%	2.060%	
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%	1.055%	1.025%	1.030%	
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%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	546	483	387	429	517	511	495	602	697	744	828	864	7,082

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RESIDENTIAL HM BUILDER

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:	Water Heater	\$250
	Furnace	\$150
	Range	\$100
	Dryer	\$100

Program Summary

New Home Goal:	3,701
New Homes Connected:	<u>4,010</u>
Variance:	-309
Percent of Goal:	108.4%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$2,220,416
Actual Cost:	\$2,406,050
Variance:	-\$185,634

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: ENERGY SAVINGS PAYBACK

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:	\$10,800
Actual Cost:	\$7,050
Variance:	\$3,750

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: WATER HEATER LOAD RET

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Water Heater \$100

Program Summary

Goals:	357
Actual:	349
Variance:	8
Percent of Goal:	97.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$35,732
Actual Cost:	\$34,900
Variance:	\$832

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMM ELECTRIC REPLACEMENT

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: kW Displaced \$30

Program Summary

Goals:	kW Displaced	413
Actual:		205
Variance:		209
Percent of Goal:		49.5%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$12,403
Actual Cost:	\$6,141
Variance:	\$6,262

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RES ELECTRIC REPLACEMENT

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 Heat	\$150

Program Summary

Goals:	36
Actual:	21
Variance:	15
Percent of Goal:	58.2%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$43,032
Actual Cost:	\$25,050
Variance:	\$17,982

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$223,346
Actual Cost:	\$212,507
Variance:	\$10,839

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: GAS SPACE COND.

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: \$100 / ton

Program Summary

Program Goal:	50
Program Accomplishments:	0
Variance:	50
Percent of Goal:	0.0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$5,000
Actual Cost:	\$0
Variance:	\$5,000

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: MONITORING & RESEARCH

Program Summary:

Conservation Cost Variance - Actual vs. Projected

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

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<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO. 6
COMPANY/ PGS
WITNESS: Kandi M. Floyd (KMF-3)
DATE 11-03-04

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2005 Through December 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	7,882,651
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-436,782
3. TOTAL (LINE 1 AND LINE 2)	7,445,869

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	2,927,547	57,452,693	29,275,470	21,640,706	50,916,176	2,975,212	5.84335%	0.05179	1.00503	0.05205
SGS	56,410	2,348,767	1,128,200	633,110	1,761,310	102,920	5.84335%	0.04382	1.00503	0.04404
GS-1	213,788	100,543,175	6,413,640	23,170,175	29,583,815	1,728,687	5.84335%	0.01719	1.00503	0.01728
GS-2	34,052	73,023,488	1,191,820	16,260,140	17,451,960	1,019,780	5.84335%	0.01397	1.00503	0.01404
GS-3	8,720	69,645,856	392,400	13,603,925	13,996,325	817,855	5.84335%	0.01174	1.00503	0.01180
GS-4	1,500	43,780,479	127,500	7,805,184.00	7,932,684	463,535	5.84335%	0.01059	1.00503	0.01064
GS-5	1,020	53,676,035	153,000	5,389,611	5,542,611	323,874	5.84335%	0.00603	1.00503	0.00606
NGVS	233	577,016	8,155.00	80,857.00	89,012	5,201	5.84335%	0.00901	1.00503	0.00906
CSLS	1,032.00	1,174,548.00	0.00	150,683.00	150,683	8,805	5.84335%	0.00750	1.00503	0.00753
TOTAL	3,244,302	402,222,057	38,690,185	88,734,391	127,424,576	7,445,869				

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ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2005 Through December 2005

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 HOME BUILDER PROGRAM	494,091	494,091	494,091	494,091	494,091	494,091	494,091	494,091	494,091	494,091	494,091	494,091	\$5,929,095
2 WATER HEATER LOAD RET	18,192	18,192	18,192	18,192	18,192	18,192	18,192	18,192	18,192	18,192	18,192	18,192	\$218,300
3 OIL HEAT REPLACEMENT	55	55	55	55	55	55	55	55	55	55	55	55	\$660
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	6,712	6,712	6,712	6,712	6,712	6,712	6,712	6,712	6,712	6,712	6,712	6,712	\$80,544
6 RES ELECTRIC REPLACEMENT	21,362	21,362	21,362	21,362	21,362	21,362	21,362	21,362	21,362	21,362	21,362	21,362	\$256,340
7 COMMON COSTS	106,825	106,825	106,825	106,825	106,825	106,825	106,825	106,825	106,825	106,825	106,825	106,825	\$1,281,900
8 GAS SPACE CONDITIONING	7,985	7,985	7,985	7,985	7,985	7,985	7,985	7,985	7,985	7,985	7,985	7,985	\$95,815
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	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$656,888	\$7,882,651

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2005 Through December 2005

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	5,929,095	0	0	0	\$5,929,095
2 WATER HEATER LOAD RET	0	0	0	0	218,300	0	0	0	\$218,300
3 OIL HEAT REPLACEMENT	0	0	0	0	660	0	0	0	\$660
4 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
5 COM ELECTRIC REPLACEMENT	0	0	0	0	80,541	0	0	0	\$80,541
6 RES ELECTRIC REPLACEMENT	0	0	0	0	256,340	0	0	0	\$256,340
7 COMMON COSTS	0	428,900	1,000	850,000	0	1,000	0	1,000	\$1,281,900
8 GAS SPACE CONDITIONING	0	0	0	0	95,815	0	0	0	\$95,815
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	\$428,900	\$1,000	\$850,000	\$6,600,751	\$1,000	\$0	\$1,000	\$7,882,651

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2004 Through December 2004
 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	4,070,230	0	0	0	4,070,230
B. ESTIMATED	0	0	0	0	2,200,576	0	0	0	2,200,576
C. TOTAL	0	0	0	0	6,270,806	0	0	0	6,270,806
2 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	142,800	0	0	0	142,800
B. ESTIMATED	0	0	0	0	74,700	0	0	0	74,700
C. TOTAL	0	0	0	0	217,500	0	0	0	217,500
3 OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	1,652	0	0	0	1,652
C. TOTAL	0	0	0	0	1,982	0	0	0	1,982
4 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	6,668	0	0	0	6,668
C. TOTAL	0	0	0	0	6,668	0	0	0	6,668
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	58,241	0	0	0	58,241
B. ESTIMATED	0	0	0	0	16,128	0	0	0	16,128
C. TOTAL	0	0	0	0	74,369	0	0	0	74,369
6 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	170,447	0	0	0	170,447
B. ESTIMATED	0	0	0	0	105,512	0	0	0	105,512
C. TOTAL	0	0	0	0	275,959	0	0	0	275,959
SUB-TOTAL	0	0	0	0	6,847,284	0	0	0	6,847,284

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2004 Through December 2004

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	6,847,284	0	0	0	6,847,284
7. COMMON COSTS									
A. ACTUAL	0	264,491	1,321	378,595	0	24,880	0	0	669,287
B. ESTIMATED	0	140,168	333	350,033	0	333	0	491,200	491,200
C. TOTAL	0	404,659	1,654	728,628	0	25,213	0	333	1,160,487
8. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	48,940	0	0	0	48,940
B. ESTIMATED	0	0	0	0	39,400	0	0	0	39,400
C. TOTAL	0	0	0	0	88,340	0	0	0	88,340
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	404,659	1,654	728,628	6,935,624	25,213	0	333	8,096,111

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2004 Through December 2004
8 Months of Actuals

PROGRAM NAME	Jan.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	736,550	395,870	593,810	619,685	332,460	445,045	547,990	399,000	550,144	550,144	550,144	550,144	\$6,270,806
WATER HEATER LOAD RET	19,000	21,000	15,800	21,900	15,500	15,900	16,800	17,000	18,675	18,675	18,675	18,675	\$217,500
OIL HEAT REPLACEMENT	330	0	0	0	0	0	0	0	413	413	413	413	\$1,682
SMALL PKG COGEN	0	0	0	0	0	0	0	0	1,667	1,667	1,667	1,667	\$6,668
COM ELECTRIC REPLACEMENT	1,320	7,518	2,160	18,765	9,840	13,440	6,640	360	4,032	4,032	4,032	4,032	\$74,369
RES ELECTRIC REPLACEMENT	20,190	21,037	21,570	25,870	22,820	21,430	19,015	18,515	26,378	26,378	26,378	26,378	\$275,959
COMMON COSTS	66,575	58,029	102,268	142,899	71,465	53,683	90,424	83,945	122,800	122,800	122,800	122,800	\$1,160,487
GAS SPACE CONDITIONING	11,290	0	24,000	0	13,650	0	0	0	9,850	9,850	9,850	9,850	\$88,340
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	\$855,255	\$503,452	\$759,408	\$827,119	\$465,755	\$549,398	\$681,069	\$518,820	\$733,959	\$733,959	\$733,959	\$733,959	\$8,096,111

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ENERGY CONSERVATION ADJUSTMENT
January 2004 Through December 2004

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.	-1,172,541	-1,143,435	-1,004,528	-867,431	-784,348	-643,709	-569,175	-580,482	-580,482	-580,482	-580,482	-480,482	-8,987,576
b. CONSERV. ADJ. REV.	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)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-1,172,541	-1,143,435	-1,004,528	-867,431	-784,348	-643,709	-569,175	-580,482	-580,482	-580,482	-580,482	-480,482	-8,987,576
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	464,811
CONSERVATION REVS. APPLIC. TO PERIOD	-1,133,807	-1,104,700	-965,794	-828,697	-745,614	-604,974	-530,440	-541,748	-541,748	-541,748	-541,748	-441,748	-8,522,765
CONSERVATION EXPS. (FORM C-3, PAGE 3)	855,255	503,452	759,408	827,119	465,755	549,398	681,069	518,820	733,959	733,959	733,959	733,959	8,096,111
TRUE-UP THIS PERIOD	-278,552	-601,249	-206,386	-1,578	-279,859	-55,577	150,629	-22,928	192,211	192,211	192,211	292,211	-426,654
INTEREST THIS PERIOD (C-3, PAGE 5)	267	-144	-502	-636	-809	-1,131	-1,327	-1,425	-1,426	-1,223	-1,020	-750	-10,127
TRUE-UP & INT. BEG. OF MONTH	484,811	147,791	-492,336	-737,958	-778,905	-1,098,308	-1,193,750	-1,083,183	-1,146,270	-994,219	-841,965	-689,509	-436,782
PRIOR TRUE-UP COLLECT/(REFUND.)	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-464,811
END OF PERIOD TOTAL NET TRUE-UP	147,791	-492,336	-737,958	-778,905	-1,098,308	-1,193,750	-1,083,183	-1,146,270	-994,219	-841,965	-689,509	-436,782	-436,782

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2004 Through December 2004

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	464,811	147,791	-482,336	-737,958	-778,905	-1,098,308	-1,193,750	-1,083,183	-1,146,270	-994,219	-841,965	-689,509	-436,782
END. T-UP BEFORE INT.	147,525	-492,192	-737,456	-778,270	-1,097,499	-1,192,619	-1,081,856	-1,144,845	-992,793	-840,742	-688,488	-436,032	-1,328,247
TOT. BEG. & END. T-UP	612,336	-344,401	-1,229,792	-1,516,229	-1,876,404	-2,290,927	-2,275,606	-2,228,028	-2,139,063	-1,834,961	-1,530,454	-1,125,540	-1,765,029
AVERAGE TRUE-UP	306,168	-172,200	-614,896	-758,114	-838,202	-1,145,463	-1,137,803	-1,114,014	-1,069,531	-917,480	-765,227	-562,770	-882,515
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.0600%	1.0300%	0.9800%	0.9800%	1.0300%	1.0400%	1.3300%	1.4700%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MT.	1.0300%	0.9800%	0.9800%	1.0300%	1.0400%	1.3300%	1.4700%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
TOTAL	2.0900%	2.0100%	1.9600%	2.0100%	2.0700%	2.3700%	2.8000%	3.0700%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%
AVG INTEREST RATE	1.0450%	1.0050%	0.9800%	1.0050%	1.0350%	1.1850%	1.4000%	1.5350%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
MONTHLY AVG. RATE	0.0871%	0.0838%	0.0817%	0.0838%	0.0863%	0.0988%	0.1167%	0.1279%	0.1333%	0.1333%	0.1333%	0.1333%	0.1333%
INTEREST PROVISION	\$267	-\$144	-\$502	-\$635	-\$809	-\$1,131	-\$1,327	-\$1,425	-\$1,426	-\$1,223	-\$1,020	-\$750	-\$10,127

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Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 040004-GU
 KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

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:	14,930
Actual connections to date this period:	9,691
Percent of goal:	64.9%
8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$6,270,806
	Actual to date:	\$4,070,230

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: WATER HEATER LOAD RET

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: 2,175
Actual connections to date this period: 1,428
Percent of goal: 65.7%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$217,500
Actual to date: \$142,800

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Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: OIL HEAT REPLACEMENT

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: 6

Actual connections to date this period: 1

Percent of goal: 16.6%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$1,982

Actual to date: \$330

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: SMALL PKG COGEN

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:	\$6,668
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: COM ELECTRIC REPLACEMENT

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:	1,859
	Actual KWD displaced this period:	1,456
	Percent of goal:	78.3%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$74,369
	Actual to date:	\$58,241

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 040004-GU
 KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: RES ELECTRIC REPLACEMENT

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	468
	Actual connections to date this period:	289
	Percent of goal:	61.8%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$275,959
	Actual to date:	\$170,447

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period: \$1,160,487

Actual to date: \$669,287

Percent of goal: 57.7%

8 Months of Actuals

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-3

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: GAS SPACE CONDITIONING

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)	589
	Actual connections this period: (tons)	326
	Percent of goal:	55.4%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$88,340
	Actual to date:	\$48,940

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SCHEDULE C-1
PAGE 1 OF 1

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-4

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2005 Through December 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,258,300
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	1,794,458
3. TOTAL (LINE 1 AND LINE 2)	4,052,758

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	582,513	13,140,439	5,825,130	4,949,609	10,774,739	2,534,831	23.52568%	0.19290	1.00503	0.19387
SGS	12,895	546,820	257,900	147,395	405,295	95,348	23.52568%	0.17437	1.00503	0.17525
GS-1	16,230	6,686,070	486,900	1,540,805	2,027,705	477,031	23.52568%	0.07135	1.00503	0.07171
GS-2	2,204	4,383,095	77,140	976,984	1,053,124	247,755	23.52568%	0.06653	1.00503	0.05681
GS-3	501	3,868,668	22,545	755,667	778,212	183,080	23.52568%	0.04732	1.00503	0.04758
GS-4	132	2,666,346	11,220	475,356.00	486,576	114,470	23.52568%	0.04293	1.00503	0.04315
GS-5	96	16,720,369	14,400	1,676,892	1,693,292	398,358	23.52568%	0.02382	1.00503	0.02394
NGVS	0	0	0.00	0.00	0	0	23.52568%	0.03018	1.00503	0.03033
CSLS	84	62,439	0.00	8,010	8,010	1,884	23.52568%	0.03018	1.00503	0.03033
TOTAL	614,655	48,074,246	6,685,235	10,531,718	17,226,953	4,052,758				

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO. 7
COMPANY/ PGS
WITNESS. Kandi M. Floyd (KMF-4)
DATE: 11-08-04

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 040004-GU
 KMF-4

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
 January 2005 Through December 2005

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 HOME BUILDER PROGRAM	165,600	165,600	165,600	165,600	165,600	165,600	165,600	165,600	165,600	165,600	165,600	165,600	\$1,987,200
2 ENERGY SAVINGS PAYBACK	558	558	558	558	558	558	558	558	558	558	558	558	\$6,700
3 WATER HEATER LOAD RET	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	\$31,800
4 RES ELECTRIC REPLACEMENT	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$24,000
5 COM ELECTRIC REPLACEMENT	425	425	425	425	425	425	425	425	425	425	425	425	\$5,100
6 GAS SPACE CONDITIONING	833	833	833	833	833	833	833	833	833	833	833	833	\$10,000
7 COMMON COSTS	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	16,125	\$193,500
8 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
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	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$188,192	\$2,258,300

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2005 Through December 2005

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	1,987,200	0	0	0	\$1,987,200
2 ENERGY SAVINGS PAYBACK	0	0	0	0	6,700	0	0	0	\$6,700
3 WATER HEATER LOAD RET	0	0	0	0	31,800	0	0	0	\$31,800
4 RES ELECTRIC REPLACEMENT	0	0	0	0	24,000	0	0	0	\$24,000
5 COM ELECTRIC REPLACEMENT	0	0	0	0	5,100	0	0	0	\$5,100
6 GAS SPACE CONDITIONING	0	0	0	0	10,000	0	0	0	\$10,000
7 COMMON COSTS	0	68,000	0	125,000	0	500	0	0	\$193,500
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	\$68,000	\$0	\$125,000	\$2,064,800	\$500	\$0	\$0	\$2,258,300

Company: Peoples Gas System
 West Florida Region
 Exhibit No. _____
 Docket No. 040004-GU
 KMF-4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 2004 Through December 2004
 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	2,454,750	0	0	0	2,454,750
B. ESTIMATED	0	0	0	0	583,632	0	0	0	583,632
C. TOTAL	0	0	0	0	3,038,382	0	0	0	3,038,382
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	5,450	0	0	0	5,450
B. ESTIMATED	0	0	0	0	2,500	0	0	0	2,500
C. TOTAL	0	0	0	0	7,950	0	0	0	7,950
3 WATER HEATER LOAD RET									
A. ACTUAL	0	0	0	0	20,500	0	0	0	20,500
B. ESTIMATED	0	0	0	0	11,068	0	0	0	11,068
C. TOTAL	0	0	0	0	31,568	0	0	0	31,568
4 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	18,650	0	0	0	18,650
B. ESTIMATED	0	0	0	0	10,652	0	0	0	10,652
C. TOTAL	0	0	0	0	29,302	0	0	0	29,302
5 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	3,030	0	0	0	3,030
B. ESTIMATED	0	0	0	0	2,652	0	0	0	2,652
C. TOTAL	0	0	0	0	5,682	0	0	0	5,682
6 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	3,332	0	0	0	3,332
C. TOTAL	0	0	0	0	3,332	0	0	0	3,332
SUB-TOTAL	0	0	0	0	3,116,216	0	0	0	3,116,216

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2004 Through December 2004
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	3,116,216	0	0	0	3,116,216
7. COMMON COSTS									
A. ACTUAL	0	45,626	0	85,545	0	72	0	0	131,243
B. ESTIMATED	0	19,766	0	36,666	0	0	0	56,432	56,432
C. TOTAL	0	65,392	0	122,211	0	72	0	0	187,675
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	65,392	0	122,211	3,116,216	72	0	0	3,303,891

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2004 Through December 2004
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
HOME BUILDER PROGRAM	140,800	239,600	814,150	322,750	204,750	353,170	254,840	324,890	145,908	145,908	145,908	145,908	\$3,038,382
ENERGY SAVINGS PAYBACK	900	1,050	800	750	500	700	750	200	625	625	625	625	\$7,950
WATER HEATER LOAD RET	1,800	5,000	2,200	3,500	2,600	3,300	900	1,200	2,767	2,767	2,767	2,767	\$31,568
RES ELECTRIC REPLACEME	3,950	2,300	4,200	2,250	1,000	1,300	2,200	1,450	2,663	2,663	2,663	2,663	\$29,302
COM ELECTRIC REPLACEME	0	0	0	1,080	1,950	0	0	0	663	663	663	663	\$5,682
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	833	833	833	833	\$3,332
COMMON COSTS	20,037	11,618	25,867	27,436	18,045	5,096	11,972	13,173	14,108	14,108	14,108	14,108	\$187,675
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	\$187,487	\$259,668	\$647,017	\$357,786	\$226,845	\$363,568	\$270,462	\$340,913	\$167,567	\$167,567	\$167,567	\$167,567	\$3,303,891

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ENERGY CONSERVATION ADJUSTMENT
January 2004 Through December 2004

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.	-407,183	-400,350	-300,856	-223,794	-178,234	-145,287	-138,149	-140,783	-140,783	-140,783	-140,783	-140,783	-2,495,788
b. CONSERV. ADJ. REV.	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)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-407,183	-400,350	-300,856	-223,794	-178,234	-145,287	-138,149	-140,783	-140,783	-140,783	-140,783	-140,783	-2,495,788
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	80,709	80,709	80,709	80,709	80,709	80,709	80,709	80,709	80,709	80,709	80,709	80,709	968,511
CONSERVATION REVS. APPLIC. TO PERIOD	-328,474	-319,641	-220,147	-143,085	-97,525	-64,578	-55,440	-60,074	-60,074	-60,074	-60,074	-60,074	-1,527,257
CONSERVATION EXPS. (FORM C-3, PAGE 3)	167,487	259,568	847,017	357,766	226,845	363,566	270,462	340,913	167,567	167,567	167,567	167,567	3,303,891
TRUE-UP THIS PERIOD	-158,987	-60,073	428,870	214,681	129,320	298,988	215,022	280,839	107,493	107,493	107,483	107,483	1,776,634
INTEREST THIS PERIOD (C-3, PAGE 5)	739	552	623	840	945	1,214	1,642	2,016	2,255	2,294	2,333	2,372	17,824
TRUE-UP & INT. BEG. OF MONTH	968,511	729,554	589,324	936,108	1,070,920	1,120,475	1,339,969	1,475,923	1,678,068	1,707,107	1,736,185	1,765,302	1,794,458
PRIOR TRUE-UP COLLECT (REFUND.)	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-80,709	-968,511
END OF PERIOD TOTAL NET TRUE-UP	729,554	589,324	936,108	1,070,920	1,120,475	1,339,969	1,475,923	1,678,068	1,707,107	1,736,185	1,765,302	1,794,458	1,794,458

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2004 Through December 2004

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	968,511	729,554	589,324	936,108	1,070,920	1,120,475	1,339,969	1,475,923	1,678,088	1,707,107	1,736,185	1,765,302	1,794,458
END. T-UP BEFORE INT.	728,815	588,772	935,485	1,070,080	1,119,531	1,338,754	1,474,281	1,676,052	1,704,852	1,733,891	1,762,969	1,792,088	2,802,581
TOT. BEG. & END. T-UP	1,697,326	1,318,326	1,524,810	2,006,188	2,190,451	2,459,230	2,814,250	3,151,975	3,382,920	3,440,999	3,499,155	3,557,388	4,397,039
AVERAGE TRUE-UP	848,883	658,163	762,405	1,003,094	1,095,225	1,229,615	1,407,125	1,575,987	1,681,460	1,720,499	1,749,577	1,778,694	2,198,519
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.0600%	1.0300%	0.9800%	0.9800%	1.0300%	1.0400%	1.3300%	1.4700%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MT	1.0300%	0.9600%	0.9800%	1.0300%	1.0400%	1.3300%	1.4700%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
TOTAL	2.0900%	2.0100%	1.9600%	2.0100%	2.0700%	2.3700%	2.8000%	3.0700%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%
AVG INTEREST RATE	1.0450%	1.0050%	0.9800%	1.0050%	1.0350%	1.1850%	1.4000%	1.5350%	1.6000%	1.6000%	1.6000%	1.6000%	1.6000%
MONTHLY AVG. RATE	0.0871%	0.0838%	0.0817%	0.0838%	0.0863%	0.0988%	0.1167%	0.1279%	0.1333%	0.1333%	0.1333%	0.1333%	0.1333%
INTEREST PROVISION	\$739	\$552	\$623	\$840	\$945	\$1,214	\$1,642	\$2,016	\$2,255	\$2,294	\$2,333	\$2,372	\$17,824

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Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-4

Peoples Gas System

Reporting: January 2004 Through December 2004

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:	5,064
	Actual connections to date this period:	4,091
	Percent of goal:	80.8%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$3,038,382
	Actual to date:	\$2,454,750

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: ENERGY SAVINGS PAYBACK

Description: This program is designed to promote the replacement of standard gas appliances with energy efficient natural gas appliances and ensure that new installation comply with the energy efficiency standards set forth in the Florida Energy Code.

Program Allowances: \$50.00

Program Goals: Projected connections for this period: 159

Actual connections to date this period: 109

Percent of goal: 68.6%
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$7,950

Actual to date: \$5,450

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-4

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: WATER HEATER LOAD RET

Description: This Program is designed to encourage current natural gas customers to retain their natural gas water heating. The program offers allowances to customers to assist in defraying the cost of more energy efficient appliances.

Program Allowance:	Energy Efficient Water Heater	\$100.00
Program Go	Projected new connections for this period:	316
	Actual connections to date this period:	205
	Percent of goal:	64.9%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$31,568
	Actual to date:	\$20,500

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Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-4

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: RES ELECTRIC REPLACEMENT

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 Heat	\$150

Program Fiscal Expenditures:	Estimated for period:	\$29,302
	Actual to date:	\$18,650

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-4

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: COM ELECTRIC REPLACEMENT

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	\$30.00
	Each customer allowed a maximum of 100 KWD deferred	
Program Goals:	Projected KWD displaced this period:	189
	Actual KWD displaced this period:	101
	Percent of goal:	53.3%
	8 Months of Actuals	
Program Fiscal Expenditures:	Estimated for period:	\$5,682
	Actual to date:	\$3,030

Company: Peoples Gas System

West Florida Region

Exhibit No. _____

Docket No. 040004-GU

KMF-4

Peoples Gas System

Reporting: January 2004 Through December 2004

Name: GAS SPACE CONDITIONING

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 Allowances: \$100.00

Program Goals:	Projected new connections for this period:	33
	Actual connections to date this period:	0
	Percent of goal:	0.0%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$3,332
	Actual to date:	\$0

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Peoples Gas System

Reporting: January 2004 Through December 2004

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period:	\$187,675
Actual to date:	\$131,243
Percent of goal:	69.9%
8 Months of Actuals	

ADJUSTED NET TRUE UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPLE	(548,163)	
INTEREST	(6,663)	(552,826)

LESS PROJECTED TRUE-UP

PRINCIPLE	(693,290)	
INTEREST	(8,882)	(700,172)

ADJUSTED NET TRUE-UP 147,346

() REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO. 8
COMPANY/ City Gas
WITNESS: Gloria Lopez (GL-1)
DATE 11-09-04

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-	-	-
PAYROLL & BENEFITS	661,620	693,205	(31,585)
MATERIALS & SUPPLIES	-	130	(130)
ADVERTISING	277,351	261,439	15,912
INCENTIVES	1,528,276	1,446,003	82,273
OUTSIDE SERVICES	43,749	39,818	3,931
VEHICLES	23,877	26,383	(2,506)
OTHER	-	-	-
SUB-TOTAL	2,534,873	2,466,978	67,895
PROGRAM REVENUES	-	-	-
TOTAL PROGRAM COSTS	2,534,873	2,466,978	67,895
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(3,081,036)	(3,160,268)	79,232
ROUNDING ADJUSTMENT	-	-	-
TRUE-UP BEFORE INTEREST	(546,163)	(693,290)	147,127
INTEREST PROVISION	(6,663)	(6,882)	219
END OF PERIOD TRUE-UP	(552,826)	(700,172)	147,346

() REFLECTS OVER-RECOVERY

*** Eight months actual and four months projected (Jan-Dec'2003)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & MATERIALS BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL	
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	196,198	-	29,179	1,329,312	-	8,843	-	1,563,532
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	12,361	-	-	-	-	1,197	-	13,558
PROGRAM 3: ELECTRIC REPLACEMENT	-	110,212	-	66,051	105,996	-	3,267	-	285,526
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	1,600	-	-	-	1,600
PROGRAM 7: WATER HEATER RETENTION	-	18,376	-	-	71,675	-	779	-	90,830
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	17,641	-	-	6,827	-	400	-	24,868
PROGRAM 9: COMM/IND CONVERSION	-	272,741	-	-	12,866	-	8,867	-	294,474
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	4,577	-	10,341	-	-	524	-	15,442
COMMON COSTS	-	29,514	-	171,780	-	43,749	-	-	245,043
TOTAL TOTAL OF ALL PROGRAMS	-	661,620	-	277,351	1,528,276	43,749	23,877	-	2,534,873

CITY GAS COMPANY OF FLORIDA
PROJECTED CONSERVATION COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDE	-	177,687	-	16,466	1,217,862	-	9,628	-	1,421,643
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	17,769	-	-	-	-	1,320	-	19,089
PROGRAM 3: ELECTRIC REPLACEMENT	-	130,431	-	67,311	120,199	-	3,676	-	321,617
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	1,192	-	-	1,475	-	-	-	2,667
PROGRAM 7: WATER HEATER RETENTION	-	28,117	-	-	66,481	-	777	-	95,375
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	18,624	-	-	7,460	-	484	-	26,568
PROGRAM 9: COMM/IND CONVERSION	-	282,146	-	1,200	16,026	-	8,115	-	307,487
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	8,715	-	11,541	16,500	-	2,383	-	39,139
COMMON COSTS	-	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

REVENUES

INTEREST

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & MATERIALS BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	18,511	-	12,713	111,450	-	(785)	141,889
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(5,408)	-	-	-	-	(123)	(5,531)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(20,219)	-	(1,260)	(14,203)	-	(409)	(36,091)
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	(1,192)	-	-	125	-	-	(1,067)
PROGRAM 7: WATER HEATER RETENTION	-	(9,741)	-	-	5,194	-	2	(4,545)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	(983)	-	-	(633)	-	(84)	(1,700)
PROGRAM 9: COMM/IND CONVERSION	-	(9,405)	-	(1,200)	(3,160)	-	752	(13,013)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(4,138)	-	(1,200)	(16,500)	-	(1,859)	(23,697)
COMMON COSTS	-	990	(130)	6,859	-	3,931	-	11,650
TOTAL TOTAL OF ALL PROGRAMS	-	(31,585)	(130)	15,912	82,273	3,931	(2,506)	67,895

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	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
PROGRAM 1:	111,202	110,495	108,894	91,795	146,909	118,079	131,594	130,346	158,155	134,295	135,539	186,229	1,563,532
PROGRAM 2:	1,210	1,622	1,272	1,574	1,158	746	589	744	2,960	593	540	550	13,558
PROGRAM 3:	41,770	25,983	15,995	16,457	24,941	23,828	25,591	20,105	26,021	27,286	13,381	24,390	285,528
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	-	-	550	-	300	500	-	-	125	-	1,600
PROGRAM 7:	3,536	3,360	3,001	3,930	9,206	9,715	11,441	7,361	11,083	9,096	9,933	9,168	90,830
PROGRAM 8:	1,606	1,841	2,729	597	2,272	3,444	1,997	3,131	1,683	3,141	1,403	1,024	24,868
PROGRAM 9:	28,198	20,680	24,462	27,183	24,430	25,179	26,331	22,617	26,601	24,555	22,898	21,340	294,474
PROGRAM 10:	1,380	9,767	395	429	547	452	597	405	501	356	278	335	15,442
COMMON COSTS	12,126	12,054	24,443	29,954	24,944	5,322	21,938	23,111	27,576	22,520	22,586	18,469	245,043
TOTAL	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873

SCHEDULE CT-2
PROJECTED CONSERVATION COSTS PER MONTH
JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:

	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
PROGRAM 1:	111,202	110,495	108,894	91,795	146,909	118,079	131,594	130,348	148,369	108,759	106,441	108,760	1,421,643
PROGRAM 2:	1,210	1,622	1,272	1,574	1,158	746	589	744	6,273	1,358	1,185	1,358	19,089
PROGRAM 3:	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
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	-	-	550	-	300	500	198	357	310	357	2,667
PROGRAM 7:	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
PROGRAM 8:	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
PROGRAM 9:	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
PROGRAM 10:	1,380	9,787	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	19,828	20,056	19,761	20,056	233,393
TOTAL	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 INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	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

SCHEDULE CT-2
SUMMARY OF EXPENSES BY PROGRAM
VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	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
PROGRAM 1:	-	-	-	-	-	-	-	-	9,786	25,536	29,098	77,469	141,889
PROGRAM 2:	-	-	-	-	-	-	-	-	(3,313)	(765)	(645)	(808)	(5,531)
PROGRAM 3:	-	-	-	-	-	-	-	-	(20,258)	(431)	(12,076)	(3,328)	(36,093)
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	-	-	-	-	-	-	(168)	(357)	(185)	(357)	(1,067)
PROGRAM 7:	-	-	-	-	-	-	-	-	5,386	(3,848)	(2,307)	(3,776)	(4,545)
PROGRAM 8:	-	-	-	-	-	-	-	-	(43)	648	(836)	(1,469)	(1,700)
PROGRAM 9:	-	-	-	-	-	-	-	-	32	(3,595)	(1,940)	(7,510)	(13,013)
PROGRAM 10:	-	-	-	-	-	-	-	-	(8,459)	(4,690)	(4,637)	(5,911)	(23,697)
COMMON COSTS	-	-	-	-	-	-	-	-	7,948	2,464	2,825	(1,587)	11,650
TOTAL	-	-	-	-	-	-	-	-	(9,089)	14,962	9,297	52,723	67,893
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	-	-	-	-	-	(9,089)	14,962	9,297	52,723	67,893

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

0.75

15,000

	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 FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,584)	(189,152)	(190,460)	(195,953)	(210,804)	(255,223)	(2,796,365)
4 TOTAL REVENUES	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,584)	(189,152)	(190,460)	(195,953)	(210,804)	(255,223)	(2,796,365)
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)	(23,721)	(23,720)	(284,671)
6 CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(363,545)	(367,676)	(280,959)	(241,000)	(225,612)	(227,635)	(214,307)	(212,875)	(214,183)	(219,676)	(234,625)	(278,943)	(3,081,036)
CONSERVATION EXPENSES													
7 (FROM CT-3, PAGE 1)	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873
8 TRUE-UP THIS PERIOD	(162,517)	(181,749)	(99,768)	(89,081)	9,345	(41,072)	6,071	(4,555)	40,397	2,166	(27,962)	(17,438)	(546,163)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(378)	(528)	(628)	(673)	(689)	(627)	(577)	(573)	(540)	(498)	(475)	(477)	(6,663)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(284,671)	(423,843)	(582,397)	(859,070)	(705,101)	(672,722)	(690,698)	(661,481)	(642,886)	(579,306)	(553,915)	(558,831)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,721	23,720	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(423,843)	(582,397)	(582,397)	(705,101)	(672,722)	(690,698)	(661,481)	(642,886)	(579,306)	(553,915)	(558,831)	(552,826)	(552,826)

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

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)	(423,843)	(582,397)	(658,070)	(705,101)	(672,722)	(690,696)	(661,481)	(642,886)	(578,306)	(553,915)	(558,631)	
2. ENDING TRUE-UP BEFORE INTEREST	(423,465)	(581,869)	(658,442)	(704,428)	(672,033)	(690,071)	(680,904)	(642,313)	(578,768)	(553,417)	(558,156)	(552,349)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(708,136)	(1,005,711)	(1,240,838)	(1,363,498)	(1,377,134)	(1,362,792)	(1,351,602)	(1,303,795)	(1,221,653)	(1,132,723)	(1,112,071)	(1,110,980)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(354,068)	(502,856)	(620,419)	(681,749)	(688,567)	(681,396)	(675,801)	(651,897)	(610,826)	(566,362)	(556,035)	(555,490)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	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%	2.110%	2.050%	2.060%	
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%	1.055%	1.025%	1.030%	
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%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(378)	(528)	(628)	(673)	(689)	(627)	(577)	(573)	(540)	(498)	(475)	(477)	(6,663)
10. a. INT. ADJ													

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: JANUARY 2005 THROUGH DECEMBER 2005
ACTUAL/ESTIMATED PERIOD: JANUARY 2004 THROUGH DECEMBER 2004
FINAL TRUE-UP PERIOD: JANUARY 2003 THROUGH DECEMBER 2003
COLLECTION PERIOD FOR PRIOR TRUE-UP: JANUARY 2005 THROUGH DECEMBER 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 3,326,347
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 12)	\$ 37,294
3. TOTAL (LINE 1 AND 2)	<u>\$ 3,363,641</u>

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	DEMAND CHARGE	TOTAL CUST. & ENERGY CHG REVENUES	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERVATION FACTOR
GS-1, GS-100, GS-220 (Sales & Transportation)	98,750	18,671,636	\$ 11,334,406	\$ 8,505,045	\$ -	\$ 20,639,451	\$ 1,728,222	8.2930%	\$ 0.09256	1.00503	\$ 0.09302
GS-600 (Sales & Transportation)	1,241	1,096,442	\$ 178,678	\$ 478,735	\$ -	\$ 657,413	\$ 54,519	8.2930%	\$ 0.04972	1.00503	\$ 0.04867
GS-1200 (Sales & Transportation)	2,466	8,642,912	\$ 443,889	\$ 2,741,098	\$ -	\$ 3,184,985	\$ 264,131	8.2930%	\$ 0.03056	1.00503	\$ 0.03071
GS-6k (Sales & Transportation)	1,882	21,761,295	\$ 506,391	\$ 5,961,527	\$ -	\$ 6,578,918	\$ 545,874	8.2930%	\$ 0.02508	1.00503	\$ 0.02520
GS-25000 (Sales & Transportation)	262	11,329,859	\$ 251,918	\$ 3,129,074	\$ -	\$ 3,380,992	\$ 280,386	8.2930%	\$ 0.02475	1.00503	\$ 0.02487
GS-60000 (Sales & Transportation)	59	6,250,070	\$ 106,198	\$ 1,717,332	\$ -	\$ 1,823,531	\$ 151,226	8.2930%	\$ 0.02420	1.00503	\$ 0.02432
Gas Lights	221	22,800	\$ -	\$ 13,564	\$ -	\$ 13,564	\$ 1,126	8.2882%	\$ 0.04939	1.00503	\$ 0.04963
GS-120000 (Sales & Transportation)	56	10,443,315	\$ 186,500	\$ 1,888,575	\$ 186,940	\$ 2,242,018	\$ 185,631	8.2930%	\$ 0.01790	1.00503	\$ 0.01786
GS-250000 (Sales & Transportation)	20	9,462,603	\$ 73,500	\$ 1,626,720	\$ 161,840	\$ 1,862,060	\$ 154,421	8.2930%	\$ 0.01632	1.00503	\$ 0.01640
TOTAL	102,736	67,680,934	\$ 13,153,481	\$ 27,061,691	\$ 348,780	\$ 40,563,952	\$ 3,363,641				

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 040004-GU EXHIBIT NO. 9
 COMPANY/ City Gas
 WITNESS: Gloria Lopez (GL-2)
 DATE: 1-05-04

PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM NAME	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
1. RESIDENTIAL BUILDER	\$ 170,884	\$ 170,067	\$ 172,521	\$ 170,884	\$ 171,703	\$ 171,703	\$ 170,884	\$ 172,521	\$ 171,703	\$ 170,385	\$ 171,179	\$ 171,972	\$ 2,056,406
2. MULTI-FAMILY RESIDENTIAL BLDR	5,077	4,982	5,269	5,077	5,173	5,173	5,077	5,269	5,173	5,018	5,112	5,205	\$ 61,605
3. APPLIANCE REPLACEMENT	29,162	28,510	30,468	29,162	29,614	29,614	29,162	30,466	29,614	28,871	29,510	30,150	\$ 354,905
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
6. RES PROPANE CONVERSION	464	442	507	464	485	485	464	507	485	451	471	493	\$ 5,718
7. RES WATER HEATER RETENTION	14,544	14,288	15,056	14,544	14,800	14,800	14,544	15,056	14,800	14,407	14,657	14,906	\$ 176,402
8. RES CUT AND CAP ALTERNATIVE	2,376	2,294	2,540	2,376	2,458	2,458	2,376	2,540	2,458	2,325	2,405	2,485	\$ 29,091
9. COMMIND CONVERSION	27,246	26,111	30,217	27,246	28,381	29,081	27,246	29,517	29,081	26,630	27,736	29,543	\$ 338,035
10. COMMIND ALTERNATIVE TECH.	10,285	1,227	2,603	10,285	1,344	2,544	10,285	1,403	11,544	1,258	1,315	2,573	\$ 56,666
COMMON COSTS	20,731	20,624	20,942	20,731	20,837	20,837	20,731	20,942	20,838	20,665	20,769	20,872	\$ 249,518
TOTAL ALL PROGRAMS	\$ 280,769	\$ 268,545	\$ 280,123	\$ 280,769	\$ 274,995	\$ 276,895	\$ 280,769	\$ 278,223	\$ 285,896	\$ 270,010	\$ 273,154	\$ 278,199	\$ 3,328,347
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	\$ 280,769	\$ 268,545	\$ 280,123	\$ 280,769	\$ 274,995	\$ 276,895	\$ 280,769	\$ 278,223	\$ 285,896	\$ 270,010	\$ 273,154	\$ 278,199	\$ 3,328,347

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER	\$ -	\$ 211,400	\$ -	\$ 36,000	\$ 1,600,000	\$ -	\$ 8,945	\$ -	\$ 2,056,405
2. MULTI-FAMILY RESIDENTIAL BLDR	-	24,836	-	-	36,000	-	769	-	61,605
3. APPLIANCE REPLACEMENT	-	169,473	-	84,000	96,000	-	5,431	-	354,904
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	5,567	-	-	-	-	153	-	5,720
7. RES WATER HEATER RETENTION	-	66,456	-	-	108,000	-	1,947	-	176,403
8. RES CUT AND CAP ALTERNATIVE	-	21,307	-	-	7,200	-	584	-	29,091
9. COMM/IND CONVERSION	-	294,315	-	2,800	31,200	-	9,721	-	338,036
10. COMM/IND ALTERNATIVE TECH. COMMON COSTS	-	15,252	-	4,800	36,000	-	616	-	56,668
	-	27,515	-	180,000	-	42,000	-	-	249,515
TOTAL ALL PROGRAMS	-	836,181	-	307,600	2,114,400	42,000	28,166	-	3,328,347
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENDITURES	\$ -	\$ 836,181	\$ -	\$ 307,600	\$ 2,114,400	\$ 42,000	\$ 28,166	\$ -	\$ 3,328,347

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004
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)	\$ -	\$ 145,685	\$ -	\$ 29,467	\$ 1,410,866	\$ -	\$ 5,325	\$ -	\$ 1,591,383
B. ESTIMATED (4 months)	-	68,581	-	3,200	674,800	-	2,582	-	749,153
C. TOTAL	-	214,246	-	32,667	2,085,766	-	7,917	-	2,340,536
2. MULTI-FAMILY RESIDENTIAL BLDG									
A. ACTUAL (8 months)	-	7,011	-	-	33,600	-	346	-	40,957
B. ESTIMATED (4 months)	-	5,091	-	-	12,000	-	160	-	17,251
C. TOTAL	-	12,102	-	-	45,600	-	506	-	58,208
3. APPLIANCE REPLACEMENT									
A. ACTUAL (8 months)	-	89,288	-	83,591	53,384	-	4,105	-	190,368
B. ESTIMATED (4 months)	-	67,256	-	24,000	40,000	-	2,008	-	133,304
C. TOTAL	-	136,584	-	87,591	93,384	-	6,113	-	323,672
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)	-	-	-	-	450	-	-	-	450
B. ESTIMATED (4 months)	-	1,378	-	-	-	-	-	-	1,378
C. TOTAL	-	1,378	-	-	450	-	-	-	1,828
SUB-TOTAL	\$ -	\$ 364,310	\$ -	\$ 120,198	\$ 2,225,200	\$ -	\$ 14,536	\$ -	\$ 2,724,244

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$ -	\$ 364,310	\$ -	\$ 120,198	\$ 2,225,200	\$ -	\$ 14,536	\$ -	\$ 2,724,244
7. RES WATER HEATER RETENTION									
A. ACTUAL (8 months)	-	13,821	-	-	76,786	-	1,137	-	91,744
B. ESTIMATED (4 months)	-	20,787	-	-	29,600	-	600	-	50,987
C. TOTAL	-	34,608	-	-	106,386	-	1,737	-	142,731
8. RES CUT AND CAP ALTERNATIVE									
A. ACTUAL (8 months)	-	11,703	-	-	450	-	381	-	12,544
B. ESTIMATED (4 months)	-	7,524	-	-	2,000	-	184	-	9,708
C. TOTAL	-	19,227	-	-	2,450	-	575	-	22,252
9. COMM/IND CONVERSION									
A. ACTUAL (8 months)	-	144,820	-	-	32,693	-	6,057	-	183,570
B. ESTIMATED (4 months)	-	98,001	-	1,400	8,000	-	3,024	-	110,425
C. TOTAL	-	242,821	-	1,400	40,693	-	9,081	-	293,995
10. COMM/IND ALTERNATIVE TECH.									
A. ACTUAL (8 months)	-	2,550	-	2,325	-	-	300	-	5,175
B. ESTIMATED (4 months)	-	3,881	-	2,400	16,000	-	156	-	22,437
C. TOTAL	-	6,431	-	4,725	16,000	-	456	-	27,612
COMMON COSTS									
A. ACTUAL (8 months)	-	20,578	-	109,729	-	24,278	-	-	154,583
B. ESTIMATED (4 months)	-	8,718	-	60,000	-	11,200	-	-	79,918
C. TOTAL	-	29,294	-	169,729	-	35,478	-	-	234,501
TOTAL	\$ -	\$ 886,691	\$ -	\$ 296,052	\$ 2,380,729	\$ 35,478	\$ 26,385	\$ -	\$ 3,445,335

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

DESCRIPTION	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	\$ 134,127	\$ 182,381	\$ 273,123	\$ 155,546	\$ 148,827	\$ 223,716	\$ 153,010	\$ 319,753	\$ 187,729	\$ 187,914	\$ 185,596	\$ 187,914	2,339,636
2. MULT-FAMILY RESIDENTIAL BLDR	22,004	12,637	969	1,037	1,032	975	1,817	486	4,350	4,358	4,185	4,358	58,208
3. APPLIANCE REPLACEMENT	41,000	20,168	23,511	19,580	22,402	16,251	23,319	24,137	33,671	33,971	31,691	33,971	323,672
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	225	925	-	14,500	4,150	-	-	(18,450)	354	357	310	357	2,726
7. RES WATER HEATER RETENTION	14,485	10,782	11,249	12,293	8,758	10,809	9,929	13,439	12,859	12,944	12,240	12,944	142,731
8. RES CUT AND CAP ALTERNATIVE	1,170	1,111	1,536	1,493	1,831	1,847	1,828	1,728	2,483	2,483	2,239	2,493	22,252
9. COMMIND CONVERSION	18,152	28,598	18,860	24,579	24,803	25,148	24,135	21,495	28,587	28,150	24,838	28,850	293,995
10. COMMIND ALTERNATIVE TECH.	204	2,486	(49)	640	553	444	672	225	6,230	5,046	4,915	6,246	27,612
COMMON COSTS	4,962	10,688	43,642	26,013	18,748	22,069	3,800	24,871	20,045	20,056	19,761	20,056	234,501
TOTAL ALL PROGRAMS	236,329	289,776	370,641	255,681	231,104	301,249	218,310	387,684	296,308	295,289	285,775	297,189	3,445,335
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RECOVERABLE	\$ 236,329	\$ 289,776	\$ 370,641	\$ 255,681	\$ 231,104	\$ 301,249	\$ 218,310	\$ 387,684	\$ 296,308	\$ 295,289	\$ 285,775	\$ 297,189	\$ 3,445,335

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

CONSERVATION REVENUES	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. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(297,283)	(280,887)	(281,232)	(245,384)	(210,948)	(194,121)	(192,763)	(185,214)	(236,398)	(223,314)	(225,922)	(277,825)	(2,851,291)
4. TOTAL REVENUES	(297,283)	(280,887)	(281,232)	(245,384)	(210,948)	(194,121)	(192,763)	(185,214)	(236,398)	(223,314)	(225,922)	(277,825)	(2,851,291)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,069)	(46,067)	(552,826)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(343,352)	(326,966)	(327,301)	(291,453)	(257,017)	(240,190)	(238,832)	(231,283)	(282,467)	(269,383)	(271,991)	(323,892)	(3,404,117)
7. CONSERV. EXPS.	236,329	269,776	370,641	255,681	231,104	301,249	218,310	387,684	296,308	295,289	285,775	297,189	3,445,335
8. TRUE-UP THIS PERIOD	(107,023)	(57,180)	43,340	(35,772)	(25,913)	61,059	(20,522)	156,401	13,841	25,906	13,784	(26,703)	41,218
9. INTEREST PROV. THIS PERIOD	(507)	(521)	(477)	(447)	(445)	(449)	(454)	(351)	(191)	(104)	(16)	37	(3,924)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(552,826)	(614,287)	(625,919)	(536,987)	(527,136)	(507,425)	(400,746)	(375,653)	(173,535)	(113,816)	(41,944)	17,893	
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	46,069	46,069	46,069	46,069	46,069	46,069	46,069	46,069	46,069	46,069	46,069	46,067	552,826
12. TOTAL NET TRUE-UP	\$ (614,287)	\$ (625,919)	\$ (536,987)	\$ (527,136)	\$ (507,425)	\$ (400,746)	\$ (375,653)	\$ (173,535)	\$ (113,816)	\$ (41,944)	\$ 17,893	\$ 37,294	\$ 37,294

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

INTEREST PROVISION	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. BEGINNING TRUE-UP	\$ (552,828)	\$ (814,287)	\$ (625,919)	\$ (536,987)	\$ (527,136)	\$ (507,425)	\$ (400,746)	\$ (375,653)	\$ (173,535)	\$ (113,816)	\$ (41,944)	\$	17,893
2. ENDING TRUE-UP BEFORE INTEREST	(613,780)	(625,398)	(536,510)	(526,690)	(506,980)	(400,297)	(375,199)	(173,183)	(113,625)	(41,841)	17,909		37,257
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,166,606)	(1,239,886)	(1,162,429)	(1,063,676)	(1,034,117)	(907,722)	(775,946)	(548,837)	(287,159)	(155,656)	(24,035)		55,150
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	\$ (583,303)	\$ (619,843)	\$ (581,215)	\$ (531,838)	\$ (517,058)	\$ (453,861)	\$ (387,973)	\$ (274,418)	\$ (143,580)	\$ (77,828)	\$ (12,018)	\$	27,575
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	1.060%	1.030%	0.980%	0.980%	1.030%	1.040%	1.330%	1.470%	1.600%	1.600%	1.600%		1.600%
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	1.030%	0.980%	0.980%	1.030%	1.040%	1.330%	1.470%	1.600%	1.600%	1.600%	1.800%		1.600%
7. TOTAL (SUM LINES 5 & 6)	2.090%	2.010%	1.960%	2.010%	2.070%	2.370%	2.800%	3.070%	3.200%	3.200%	3.200%		3.200%
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	1.045%	1.005%	0.980%	1.005%	1.035%	1.185%	1.400%	1.535%	1.600%	1.600%	1.600%		1.600%
9. MONTHLY AVG INTEREST RATE	0.087%	0.084%	0.082%	0.084%	0.086%	0.099%	0.117%	0.128%	0.133%	0.133%	0.133%		0.133%
10. INTEREST PROVISION	\$ (507)	\$ (521)	\$ (477)	\$ (447)	\$ (445)	\$ (449)	\$ (454)	\$ (351)	\$ (191)	\$ (104)	\$ (16)	\$	37 \$ (3,924)

Docket No. 040004-GU
 NUI City Gas Co. of Florida
 Exhibit No. GL-2
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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 RE 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 2004 through August 2004

APPLIANCES INSTALLED:

The Company connected 5,306 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 2004 through August 2004

PROGRAM SUMMARY:

Program costs for the period were \$40,957.

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 2004 through August 2004

APPLIANCES INSTALLED:

The Company connected 158 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 2004 through August 2004

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 2004 through August 2004

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 2004 through August 2004

PROGRAM SUMMARY:

The Company connected 0 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

REPORTING PERIOD: January 2004 through August 2004

PROGRAM SUMMARY:

The Company retained 1,566 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 2004 through August 2004

PROGRAM SUMMARY:

The retained 3 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 2004 through August 2004

PROGRAM SUMMARY:

The Company converted 19 accounts during the period, with a combined BTU input rating of 46,432,990 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 2004 through August 2004

PROGRAM SUMMARY:

Program costs for the period were \$5,175.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2005 THROUGH DECEMBER 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,355,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(212,911)
3. TOTAL (LINE 1 AND LINE 2)	2,142,089

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	534,000	11,824,460	4,272,000	6,224,869	10,496,869	904,660	8.61838%	0.07651	1.00503	0.07689
COMMERCIAL SMALL (General Service & GS Transportation)	42,156	13,541,970	632,340	4,948,642	5,580,982	480,991	8.61838%	0.03552	1.00503	0.03570
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	13,644	29,534,570	613,980	8,163,060	8,777,040	756,438	8.61838%	0.02561	1.00503	0.02574
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	8.61838%	0.02561	1.00503	0.02574
TOTAL	589,800	54,901,000	5,518,320	19,336,571	24,854,891	2,142,089				

DOCUMENT NUMBER DATE

10393 SEP 24 8

FPSC-COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 040004-G4 EXHIBIT NO. 9A

COMPANY/ F P U C

WITNESS: Geoffrey Hartman (GLH-1)

DATE 11-08-04

EXHIBIT NO. _____

DOCKET NO. 040004-GU

FLORIDA PUBLIC UTILITIES COMPANY

(GLH-1)

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	JAN 2005	FEB 2005	MAR 2005	APR 2005	MAY 2005	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	NOV 2005	DEC 2005	TOTAL
1 Full House Res. New Construction	66,000	65,000	65,000	65,000	64,000	63,000	63,000	63,000	64,000	65,000	66,000	66,429	775,429
2 Resid. Appliance Replacement	7,000	7,000	6,500	6,500	6,000	6,000	6,000	6,000	6,000	6,500	7,000	7,430	77,930
3 Conservation Education	14,000	14,000	14,000	14,000	14,000	13,000	13,000	14,000	14,000	14,000	14,000	14,829	166,829
4 Space Conditioning	4,114	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,600	3,600	3,800	43,114
5 Residential Conservation Service	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,393	28,694
6 Residential Appliance Retention	45,000	44,000	44,000	44,000	44,000	43,000	42,000	41,000	42,000	43,000	44,000	44,797	520,797
7 Dealer / Contractor	0	0	0	0	0	73	0	0	0	0	0	0	73
10 Commercial Conservation	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,369	4,369	52,378
12 Commercial Equipment Repair	288	288	288	288	288	288	288	288	288	288	288	296	3,464
13 Res. Service Reactivation	95	95	95	95	95	95	95	90	95	95	95	95	1,135
14 Common	60,000	58,000	57,000	57,000	57,000	56,000	56,000	56,000	56,000	57,000	57,000	58,157	685,157
TOTAL ALL PROGRAMS	203,252	198,638	197,138	197,138	195,638	191,711	190,638	190,633	192,638	196,238	198,743	202,595	2,355,000

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction	0	25,739	30,000	44,542	651,938	16,053	7,000	157	775,429
2 Resid. Appliance Replacement	0	9,941	0	25,779	42,210	0	0	0	77,930
3 Conservation Education	0	9	3,670	163,150	0	0	0	0	166,829
4 Space Conditioning	0	5,286	0	858	10,650	26,320	0	0	43,114
5 Residential Conservation Service	0	7,646	10,000	3,958	540	6,550	0	0	28,694
6 Residential Appliance Retention	0	25,651	0	98,725	386,421	0	0	0	520,797
7 Dealer / Contractor	0	9	0	64	0	0	0	0	73
10 Commercial Conservation	0	31,569	7,775	11,344	1,675	0	0	15	52,378
12 Commercial Equipment Repair	0	0	3,464	0	0	0	0	0	3,464
13 Res. Service Reactivation	0	0	0	1,135	0	0	0	0	1,135
14 Common	0	155,162	30,000	450,445	0	24,667	24,082	801	685,157
PROGRAM COSTS	0	261,012	84,909	800,000	1,103,434	73,590	31,082	973	2,355,000

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction									
A. ACTUAL	0	9,092	3,567	26,685	511,978	10,148	0	157	561,627
B. ESTIMATED	0	20,000	9,130	20,000	235,010	8,730	0	2,330	295,200
C. TOTAL	0	29,092	12,697	46,685	746,988	18,878	0	2,487	856,827
2 Resid. Appliance Replacement									
A. ACTUAL	0	7,858	0	7,179	30,624	0	0	0	45,661
B. ESTIMATED	0	14,000	2,570	4,600	20,000	600	0	1,670	43,440
C. TOTAL	0	21,858	2,570	11,779	50,624	600	0	1,670	89,101
3 Conservation Education									
A. ACTUAL	0	9	621	76,482	0	0	0	0	77,112
B. ESTIMATED	0	3,330	5,330	3,200	0	1,470	0	1,670	15,000
C. TOTAL	0	3,339	5,951	79,682	0	1,470	0	1,670	92,112
4 Space Conditioning									
A. ACTUAL	0	3,419	0	574	6,150	7,320	0	0	17,463
B. ESTIMATED	0	4,000	800	800	3,330	1,170	0	1,000	11,100
C. TOTAL	0	7,419	800	1,374	9,480	8,490	0	1,000	28,563
5 Residential Conservation Service									
A. ACTUAL	0	6,409	0	3,959	540	2,210	0	0	13,118
B. ESTIMATED	0	2,000	2,000	3,770	400	1,660	0	1,670	11,500
C. TOTAL	0	8,409	2,000	7,729	940	3,870	0	1,670	24,618
6 Residential Appliance Retention									
A. ACTUAL	0	11,585	0	38,838	215,000	0	0	0	265,423
B. ESTIMATED	0	14,000	2,870	4,730	123,330	1,200	0	2,000	148,130
C. TOTAL	0	25,585	2,870	43,568	338,330	1,200	0	2,000	413,553
SUB-TOTAL	0	95,702	26,888	190,817	1,146,362	34,508	0	10,497	1,504,774

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	95,702	26,888	190,817	1,146,362	34,508	0	10,497	1,504,774
10 Commercial Conservation									
A. ACTUAL	0	17,481	1,432	728	0	0	0	0	19,641
B. ESTIMATED	0	2,800	1,200	3,500	0	1,830	0	1,330	10,660
C. TOTAL	0	20,281	2,632	4,228	0	1,830	0	1,330	30,301
13 Res. Service Reactivation									
A. ACTUAL	0	0	0	1,135	0	0	0	0	1,135
B. ESTIMATED	0	3,190	870	2,070	1,670	0	0	0	7,800
C. TOTAL	0	3,190	870	3,205	1,670	0	0	0	8,935
14 Common									
A. ACTUAL	0	97,225	10,790	214,299	0	4,341	2,277	141	329,073
B. ESTIMATED	0	42,290	6,670	91,640	0	14,600	18,070	10,000	183,270
C. TOTAL	0	139,515	17,460	305,939	0	18,941	20,347	10,141	512,343
TOTAL	0	258,688	47,850	504,189	1,148,032	55,279	20,347	21,968	2,056,353

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
Full House Res. New Construction	34,498	30,030	98,256	73,195	40,908	63,324	94,441	126,975	73,800	73,800	73,800	73,800	856,827
Resid. Appliance Replacement	6,866	3,200	5,927	7,952	4,994	4,334	4,728	7,560	10,860	10,860	10,860	10,860	89,101
Conservation Education	8,334	12,642	10,110	7,163	9,841	9,252	12,989	6,581	3,750	3,750	3,750	3,750	82,112
Space Conditioning	948	10,135	4,226	465	423	331	470	465	2,775	2,775	2,775	2,775	28,563
Residential Conservation Service	722	944	928	2,199	5,131	1,416	920	858	2,875	2,875	2,875	2,875	24,618
Residential Appliance Retention	34,365	37,885	49,809	33,845	26,436	28,491	30,355	24,237	37,032	37,032	37,032	37,034	413,553
Commercial Conservation	2,059	1,828	2,349	2,000	1,843	4,290	4,057	1,217	2,665	2,665	2,665	2,665	30,301
Res. Service Reactivation	1,135	0	0	0	0	0	0	0	1,950	1,950	1,950	1,950	8,935
Common	59,413	57,384	33,400	62,348	21,470	21,681	36,606	36,771	45,817	45,817	45,817	45,819	512,343
TOTAL ALL PROGRAMS	148,340	154,246	205,005	189,167	111,046	133,119	184,566	204,764	181,524	181,524	181,524	181,528	2,066,353

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2004 THROUGH DECEMBER 2004

	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
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)	272,369	241,096	237,457	210,065	163,939	138,433	123,859	123,333	181,525	181,525	181,525	181,525	2,236,651
TOTAL REVENUES	272,369	241,096	237,457	210,065	163,939	138,433	123,859	123,333	181,525	181,525	181,525	181,525	2,236,651
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	2,450	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	29,466
CONSERVATION REVS. APPLIC. TO PERIOD	274,819	243,552	239,913	212,521	166,395	140,889	126,315	125,789	183,981	183,981	183,981	183,981	2,266,117
CONSERVATION EXPS. (FORM C-3, PAGE 3)	148,340	154,246	205,006	189,167	111,046	133,119	184,566	204,764	181,524	181,524	181,524	181,528	2,056,353
TRUE-UP THIS PERIOD	126,479	89,306	34,908	23,354	55,349	7,770	(58,251)	(78,975)	2,457	2,457	2,457	2,453	209,764
INTEREST THIS PERIOD (C-3, PAGE 5)	80	165	210	238	277	346	377	323	282	283	283	284	3,147
TRUE-UP & INT. BEG. OF MONTH	29,466	153,575	240,590	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	29,466
PRIOR TRUE-UP COLLECT. (REFUND.)	(2,450)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(29,466)
END OF PERIOD TOTAL NET TRUE-UP	153,575	240,590	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	212,911	212,911

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
INTEREST PROVISION													
BEGINNING TRUE-UP	29,466	153,575	240,580	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	
END. T-UP BEFORE INT.	153,495	240,425	273,042	294,149	347,280	352,871	292,510	211,456	211,760	212,063	212,347	212,627	
TOT. BEG. & END. T-UP	182,961	393,999	513,631	567,401	641,667	700,427	645,726	504,342	423,558	424,124	424,692	425,256	
AVERAGE TRUE-UP	91,481	197,000	256,816	283,700	320,833	350,214	322,863	252,171	211,779	212,062	212,346	212,628	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.06%	1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.60%	1.60%	1.60%	1.60%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.60%	1.60%	1.60%	1.60%	1.60%	
TOTAL	2.09%	2.01%	1.96%	2.01%	2.07%	2.37%	2.80%	3.07%	3.20%	3.20%	3.20%	3.20%	
AVG INTEREST RATE	1.06%	1.01%	0.98%	1.01%	1.04%	1.19%	1.40%	1.54%	1.60%	1.60%	1.60%	1.60%	
MONTHLY AVG. RATE	0.09%	0.08%	0.08%	0.08%	0.09%	0.10%	0.12%	0.13%	0.13%	0.13%	0.13%	0.13%	
INTEREST PROVISION	\$80	\$165	\$210	\$238	\$277	\$346	\$377	\$323	\$282	\$283	\$283	\$284	\$3,147

**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 2005, FPUC estimates that 1,000 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 2005, FPUC estimates expenses of \$775,000.

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, 2004, FPUC has connected 4,010 single- and multi-family homes to its natural gas system.

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

**SCHEDULE C-5
PAGE 3 OF 9**

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 2005, 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 2005, FPUC estimates expenses of \$77,930.

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 2004, FPUC has connected 769 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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**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 2005, FPUC estimates that 1,125 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$520,797.

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, 2004, FPUC has retained 3,348 natural gas water heaters connected to its distributions system.

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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 2005, 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 2005, FPUC estimates expenses of \$1,135.

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, 2004, 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 2005, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$28,694.

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, 2004, only 18 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel will improve future marketing of this program to its customers.

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**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 2005, 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 \$52,378.

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, 2004, 110 commercial customers have participated.

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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 2005, FPUC estimates that 45 adult and youth presentations with 450 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2005, FPUC estimates expenses of \$52,378.

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, 2004, FPUC has given 55 adult and youth presentations.

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

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

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 2005, FPUC estimates that 2 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$43,114.

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, 2004, FPUC has connected 10 space conditioning projects to its natural gas system.

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1
PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-03 THROUGH December-03		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>30,720</u>	
5.	INTEREST	<u>(1,254)</u>	<u>29,466</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-03 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(154,941)</u>	
9.	INTEREST	<u>(1,757)</u>	<u>(156,698)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>186,164</u>

REVISED

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-GU EXHIBIT NO. 10
COMPANY/ FPUC
WITNESS: Robert L. Smith (RLS-1)
DATE: 11-09-04

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED (revised 5/3/2004)

	FOR MONTHS	January-03	THROUGH	December-03	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	195,622		233,146	(37,524)
2.	Advertisement	739,945		485,316	254,629
3.	Legal				
4.	Outside Services	69,686		89,104	(19,418)
5.	Vehicle	6,274		20,591	(14,317)
6.	Materials & Supplies	57,807		64,364	(6,557)
7.	Travel	9,116		8,302	814
8.	General & Administrative	15,606		11,116	4,490
9.	Incentives	642,648		1,055,646	(112,997)
10.	Other	1,359		22,935	(21,576)
11.	SUB-TOTAL	2,038,064		1,990,520	47,544
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	2,038,064		1,990,520	47,544
14.	LESS: PRIOR PERIOD TRUE-UP	(107,559)		(107,559)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	2,114,903		2,253,020	(138,117)
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	30,720		(154,941)	185,661
19.	ADD INTEREST PROVISION	(1,254)		(1,757)	503
20.	END OF PERIOD TRUE-UP	29,466		(156,698)	186,164

() REFLECTS OVERRECOVERY

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REVISED

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

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	29,910	96,148		31,534		20,968	5,733	2,232	573,977	470	760,972		760,972
2. Residential Appliance Replacement	10,072	1,930							50,342		62,344		62,344
3. Conservation Education		121,239				5,846					127,085		127,085
4. Space Conditioning	5,154	1,309		24,840		1,139			4,500		36,942		36,942
5. Residential Conservation Service	6,400	50		5,795		5,634					17,879		17,879
6. Residential Appliance Retention	15,524	48,692							313,815		378,031		378,031
10. Commercial Conservation Service	21,176	616		1,340		4,834			15	15	27,996		27,996
12. Commercial Equipment Repair		900									900		900
13. Residential Service Reactivation													
14. Common	107,386	469,061		6,177	6,274	19,386	3,383	13,374		874	625,915		625,915
TOTAL ALL PROGRAMS	195,622	739,945		69,686	6,274	57,807	9,116	15,606	942,649	1,359	2,038,064		2,038,064

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM—VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res. New Construction	(10,272)	1,944		(3,969)		(2,928)	(398)	24	(61,063)	(2,330)	(78,990)		(78,990)
2. Residential Appliance Replacement	(10,645)	(4,600)		(900)		(2,570)			(4,624)	(1,670)	(24,709)		(24,709)
3. Conservation Education	(3,330)	96,944		(1,470)		(1,144)				(1,670)	89,330		89,330
4. Space Conditioning	(2,089)	(516)		1,260		(801)			(9,500)	(1,000)	(12,646)		(12,646)
5. Residential Conservation Service	217	(3,770)		(320)		3,634			(400)	(1,670)	(2,309)		(2,309)
6. Residential Appliance Retention	(8,407)	37,282		(1,200)		(2,870)			(30,740)	(2,000)	(7,935)		(7,935)
10. Commercial Conservation Service	4,687	(3,500)		(4,830)		2,263				(1,330)	(2,710)		(2,710)
12. Commercial Equipment Repair													
13. Residential Service Reactivation	(3,190)	(2,070)				(870)			(6,670)		(12,800)		(12,800)
14. Common	(4,495)	132,915		(6,269)	(14,317)	(1,273)	1,212	4,466		(9,906)	100,313		100,313
TOTAL ALL PROGRAMS	(37,524)	254,629		(19,418)	(14,317)	(6,557)	814	4,490	(112,997)	(21,576)	47,544		47,544

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH (revised 5/3/2004)

FOR MONTHS		January-03	THROUGH	December-03										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Res. New Construction	73,741	55,051	74,384	110,469	58,576	52,237	49,607	46,246	69,498	44,689	34,182	82,312	760,972
2.	Residential Appliance Replacement	5,529	7,718	5,557	3,831	6,414	7,237	3,270	4,056	3,650	4,069	4,084	6,949	62,344
3.	Conservation Education	206	1,106	206	207	9,171	2,319	1,829	7,711	8,431	42,960	683	52,248	127,085
4.	Space Conditioning	1,188	3,428	3,249	4,511	4,568	3,422	3,431	3,461	3,746	7,985	(5,580)	3,542	36,942
5.	Residential Conservation Service	610	1,743	773	571	522	670	386	402	527	7,096	3,973	596	17,879
6.	Residential Appliance Retention	37,636	31,177	31,841	26,858	22,617	25,867	19,882	28,629	27,932	40,649	25,190	59,753	378,031
10.	Commercial Conservation Service	2,685	1,439	1,494	1,728	3,439	2,200	1,656	2,389	1,838	1,961	5,156	2,011	27,996
12.	Commercial Equipment Repair													
13.	Residential Service Reactivation		900											900
14.	Common	52,310	16,928	76,291	50,528	46,799	36,139	31,294	33,487	17,843	21,660	94,800	147,836	625,915
610			238	(215)				1,455	(1,455)	(23)				
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064

REVISED

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
3. TOTAL REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(8,968)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(107,559)
5. CONSERVATION REVENUE APPLICABLE	288,065	250,244	186,565	171,638	147,323	123,664	114,990	112,164	117,598	118,391	153,173	223,528	2,007,344
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	114,160	130,516	(7,015)	(27,065)	(4,774)	(6,427)	2,160	(12,752)	(15,844)	(52,658)	(9,305)	(141,717)	(30,720)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(49)	90	158	146	141	133	130	137	133	111	91	33	1,254
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(107,559)	15,518	155,087	157,183	139,238	143,567	146,237	157,489	153,837	147,090	103,506	103,255	(107,559)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	8,966	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	107,559
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	15,518	155,087	157,183	139,238	143,567	146,237	157,489	153,837	147,090	103,506	103,255	(29,466)	(29,466)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(107,559)	15,518	155,087	157,193	139,238	143,567	146,237	157,489	153,837	147,090	103,506	103,255	(107,559)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	15,567	154,897	157,035	139,092	143,426	146,104	157,359	153,700	146,957	103,395	103,164	(29,499)	(30,720)
3. TOTAL BEG. AND ENDING TRUE-UP	(91,992)	170,515	312,122	296,285	282,664	289,671	303,596	311,190	300,794	250,484	206,670	73,756	(138,279)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(45,996)	85,258	156,061	148,142	141,332	144,835	151,798	155,595	150,397	125,242	103,335	36,878	(69,139)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
7. TOTAL (LINE C-5 + C-6)	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.06%	2.11%	2.12%	2.12%	2.12%	2.12%	2.12%
8. AVG. INTEREST RATE (C-7 X 50%)	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
9. MONTHLY AVERAGE INTEREST RATE	0.107%	0.105%	0.101%	0.089%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.088%	0.088%	0.088%
10. INTEREST PROVISION (LINE C-4 X C-9)	(49)	90	158	146	141	133	130	137	133	111	91	33	1,254

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

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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REVISED

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT (5/3/2004)
FOR MONTHS January-03 THROUGH December-03

SCHEDULE CT-5
PAGE 1 OF 1

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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REVISED

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**
(revised 5/3/2004)

**SCHEDULE CT-6
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**
(revised 5/3/2004)

**SCHEDULE CT-6
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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 2003, FPUC estimated that 1,100 single- and multi-family homes would be connected to its natural gas system. The company connected 819 homes in 2003.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$760,972.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through December 31, 2003, FPUC has connected 2,981 single- and multi-family homes to its natural gas system with an estimated annual usage of 703,918 therms.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
(revised 5/3/2004)

**SCHEDULE CT-6
PAGE 3 OF 9**

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 2003, FPUC estimated that 200 natural gas appliances would be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system. The company connected 180 new appliances under this program in 2003.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$62,344.

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 December 31, 2003, FPUC has connected 565 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system. These appliances have resulted in an estimated cumulative annual usage of 49,757 therms.

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RE V I S E D

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
(revised 5/3/2004)

**SCHEDULE CT-6
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 2003, FPUC estimated that 960 water heaters would be connected to its system. FPUC replaced 903 water heaters with more efficient gas units.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$378,031.

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 December 31, 2003, FPUC has retained 2,448 natural gas water heaters connected to its distribution system.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
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**SCHEDULE CT-6
PAGE 5 OF 9**

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 2003, FPUC estimated that 36 services would be reactivated with water heaters on its natural gas system. There were no participants in this program during 2003.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$900.

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 December 31, 2003, FPUC has not reactivated any services with water heaters as a result of this program.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**
(revised 5/3/2004)

**SCHEDULE CT-6
PAGE 6 OF 9**

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 2003, FPUC estimated that 20 residential customers would participate in this program. There were no participants for this program during 2003.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$17,879.

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 December 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.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
(revised 5/3/2004)

**SCHEDULE CT-6
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 2003, FPUC estimated that 50 commercial customers would participate in this program. FPUC surveyed 35 commercial customers during 2003.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$27,996.

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 December 31, 2003, 135 commercial customers have participated.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
(revised 5/3/2004)

**SCHEDULE CT-6
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 2003, FPUC estimated that 25 adult and youth presentations with 750 participants would result from this program. During 2003, there were 12 adult and youth presentations with 350 participants.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2003, FPUC had expenses of \$127,085.

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 December 31, 2003, FPUC has given 67 adult and youth presentations.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**
(revised 5/3/2004)

**SCHEDULE CT-6
PAGE 9 OF 9**

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 2003, FPUC estimated that 5 customer projects would utilize this program. In 2003, this program was utilized by 2 customer projects.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC had expenses of \$36,942.

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 December 31, 2003, FPUC has connected 10 space conditioning projects to its natural gas system.

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RE V I S E D

SCHEDULE CT-1

COMPANY: ST. JOE NATURAL GAS

FOR MONTHS: ADJUSTED NET TRUE-UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPLE	(5,572)	
INTEREST	<u>(55)</u>	(5,627)

LESS PROJECTED TRUE-UP

PRINCIPLE	(4,197)	
INTEREST	<u>(55)</u>	<u>(4,252)</u>

ADJUSTED NET TRUE-UP (1,375)

() REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-AU EXHIBIT NO. 11
COMPANY/ SJNG
WITNESS: Debbie Stitt (DKS-1)
DATE 11-08-04

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	18,225	13,150	5,075
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	0	0	0
SUB-TOTAL	18,225	13,150	5,075
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	18,225	13,150	5,075
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT REVENUES	(23,787)	(17,347)	(6,450)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(5,572)	(4,197)	(1,375)
INTEREST PROVISION	(55)	(55)	0
END OF PERIOD TRUE-UP	(5,627)	(4,252)	(1,375)

() REFLECTS OVER-RECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	9,900	0	0	0	9,900
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	8,325	0	0	0	8,325
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	18,225	0	0	0	18,225

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	2,600	0	0	0	2,600
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	2,475	0	0	0	2,475
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	5,075	0	0	0	5,075

() REFELCTS 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 2003 THROUGH DECEMBER 2003

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	175	1,125	350	1,525	1,950	950	525	175	875	1,375	175	9,900
PROGRAM 2:	450	1,350	1,125	1,350	0	450	225	900	675	0	1,125	675	8,325
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	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS: JANUARY 2003 THROUGH DECEMBER 2003

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	(5,263)	(4,271)	(2,015)	(1,851)	(1,153)	(988)	(1,088)	(950)	(954)	(1,062)	(1,075)	(3,359)	(24,029)
4. TOTAL REVENUES	(5,263)	(4,271)	(2,015)	(1,851)	(1,153)	(988)	(1,088)	(950)	(954)	(1,062)	(1,075)	(3,359)	(24,029)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	19	19	19	19	19	19	19	19	19	19	19	19	232
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(5,244)	(4,252)	(1,996)	(1,832)	(1,133)	(969)	(1,069)	(931)	(935)	(1,042)	(1,056)	(3,339)	(23,797)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,150	1,525	2,250	1,700	1,525	2,400	1,175	1,425	850	875	2,500	850	18,225
8. TRUE-UP THIS PERIOD	(4,094)	(2,727)	254	(132)	392	1,431	106	494	(85)	(167)	1,444	(2,489)	(5,572)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(2)	(6)	(7)	(6)	(6)	(5)	(4)	(4)	(4)	(4)	(3)	(4)	(55)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	232	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	(5,627)	(5,627)

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

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	232	(3,883)	(6,635)	(6,407)	(6,564)	(6,198)	(4,791)	(4,708)	(4,237)	(4,345)	(4,536)	(3,114)	
2. ENDING TRUE-UP BEFORE INTEREST	(3,881)	(6,630)	(6,400)	(6,558)	(6,192)	(4,786)	(4,704)	(4,233)	(4,342)	(4,532)	(3,111)	(5,623)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(3,649)	(10,513)	(13,035)	(12,964)	(12,756)	(10,985)	(9,495)	(8,941)	(8,579)	(8,877)	(7,647)	(8,737)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,825)	(5,256)	(6,518)	(6,482)	(6,378)	(5,492)	(4,748)	(4,471)	(4,289)	(4,439)	(3,823)	(4,369)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	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%	2.110%	2.050%	2.060%	
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%	1.055%	1.025%	1.030%	
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%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(2)	(6)	(7)	(6)	(6)	(5)	(4)	(4)	(4)	(4)	(3)	(4)	(55)

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHS
JANUARY 2003 THROUGH DECEMBER 2003

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: 32
PLANNED HEATING SYSTEMS: 14
PLANNED AIR CONDITIONING: 0

PROGRAM FISCAL EXPENDITURES: ACTUAL EXPEND. W/O INTEREST: \$9,900

PROGRAM PROGRESS SUMMARY: INSTALLED WATER HEATERS: 26
INSTALLED HEATING SYSTEMS: 13
INSTALLED AIR CONDITIONING: 0

ST JOE NATURAL GAS
CONSERVATION PROGRAM DESCRIPTION
AND PROGRESS FOR MONTHS
JANUARY 2003 THROUGH DECEMBER 2003

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:	55
	PLANNED HEATING SYSTEMS:	0
	PLANNED AIR CONDITIONING:	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$8,325
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<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	32
	INSTALLED HEATING SYSTEMS:	1
	INSTALLED AIR CONDITIONING:	0

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2005 THROUGH DECEMBER 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	14,325
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(5,701)
3. TOTAL (LINE 1 AND LINE 2)	8,624

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	36,661	938,096	329,949	357,283	687,232	7,246	1.05438%	0.00772	1.00503	0.00776
SMALL COMMERCIAL	2,646	101,476	23,814	38,648	62,462	659	1.05438%	0.00649	1.00503	0.00652
COMMERCIAL	480	237,426	19,200	49,064	68,264	720	1.05438%	0.00303	1.00503	0.00305
OTHER										
TOTAL	39,787	1,276,998	372,963	444,995	817,958	8,624.41				

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 040004-64 EXHIBIT NO. 12
COMPANY/ SJNG
WITNESS: Debbie Stitt (Diss-2)
DATE 11-08-04

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	JAN 2005	FEB 2005	MAR 2005	APR 2005	MAY 2005	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	NOV 2005	DEC 2005	TOTAL
1 HOME BUILDER PROGRAM	700	0	1,600	175	525	350	950	350	525	1,675	875	525	8,250
2 WATER HEATER REPLACE	450	225	450	450	450	900	900	450	450	450	225	225	5,625
3 HOME HEATING REPLACE	450	0	0	0	0	0	0	0	0	0	0	0	450
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	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
	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	1,600	225	2,050	625	975	1,250	1,850	800	975	2,125	1,100	750	14,325

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	8,250	0	0	0	8,250
2 WATER HEATER REPLACE	0	0	0	0	5,625	0	0	0	5,625
3 HOME HEATING REPLACE	0	0	0	0	450	0	0	0	450
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	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
PROGRAM COSTS	0	0	0	0	14,325	0	0	0	14,325

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROG									
A. ACTUAL	0	0	0	0	9,850	0	0	0	9,850
B. ESTIMATED	0	0	0	0	0	0	0	0	0
MULT-FAMILY HM BUILDER	0	0	0	0	9,850	0	0	0	9,850
2 WATER HEATER REPLACE									
A. ACTUAL	0	0	0	0	4,275	0	0	0	4,275
B. ESTIMATED	0	0	0	0	0	0	0	0	0
ELECTRIC REPLACEMENT	0	0	0	0	4,275	0	0	0	4,275
3 HOME HEATING REPLACE									
A. ACTUAL	0	0	0	0	450	0	0	0	450
B. ESTIMATED	0	0	0	0	0	0	0	0	0
DEALER PROGRAM	0	0	0	0	450	0	0	0	450
4 CONSERVATION EDUC									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
SCHOOLS PROGRAM	0	0	0	0	0	0	0	0	0
5 COMMON COSTS									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
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
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,575</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	14,575	0	0	0	14,575
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. 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
(INSERT NAME)									
11. 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	0	0	0	14,575	0	0	0	14,575

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	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
HOME BUILDER PROG.	2,250	175	700	350	1,925	2,175	1,050	1,225	0	0	0	0	9,850
WATER HEAT REPLACE.	1,350	225	675	225	450	675	225	450	0	0	0	0	4,275
HOME HEAT REPLACE	450	0	0	0	0	0	0	0	0	0	0	0	450
CONS. EDUC	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	4,050	400	1,375	575	2,375	2,850	1,275	1,675	0	0	0	0	14,575

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2004 THROUGH DECEMBER 2004

	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
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.	(3,826)	(3,405)	(2,309)	(1,607)	(1,001)	(896)	(791)	(735)	0	0	0	0	(14,571)
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	(3,826)	(3,405)	(2,309)	(1,607)	(1,001)	(896)	(791)	(735)	0	0	0	0	(14,571)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(5,627)
CONSERVATION REVS. APPLIC. TO PERIOD	(4,295)	(3,874)	(2,778)	(2,076)	(1,470)	(1,365)	(1,260)	(1,204)	(469)	(469)	(469)	(469)	(20,198)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	4,050	400	1,375	575	2,375	2,850	1,275	1,675	0	0	0	0	14,575
TRUE-UP THIS PERIOD	(245)	(3,474)	(1,403)	(1,501)	905	1,485	15	471	(469)	(469)	(469)	(469)	(5,623)
INTEREST THIS PERIOD (C-3, PAGE 5)	(5)	(6)	(7)	(8)	(8)	(8)	(8)	(7)	(5)	(5)	(5)	(5)	(78)
TRUE-UP & INT. BEG. OF MONTH	(5,627)	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	
PRIOR TRUE-UP COLLECT./(REFUND.)	469	469	469	469	469	469	469	469	469	469	469	469	
END OF PERIOD TOTAL NET TRUE-UP	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	(5,701)	(5,701)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

	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
INTEREST PROVISION													
BEGINNING TRUE-UP	(5,627)	(5,408)	(8,418)	(9,360)	(10,400)	(9,035)	(7,089)	(6,613)	(5,680)	(5,686)	(5,691)	(5,696)	
END. T-UP BEFORE INT.	(5,403)	(8,412)	(9,353)	(10,392)	(9,026)	(7,081)	(6,605)	(5,674)	(5,680)	(5,686)	(5,691)	(5,696)	
TOT. BEG. & END. T-UP	(11,030)	(13,820)	(17,771)	(19,752)	(19,427)	(16,115)	(13,694)	(12,287)	(11,361)	(11,371)	(11,381)	(11,391)	
AVERAGE TRUE-UP	(5,515)	(6,910)	(8,885)	(9,876)	(9,713)	(8,058)	(6,847)	(6,144)	(5,680)	(5,686)	(5,691)	(5,696)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.06%	1.03%	1.01%	0.98%	1.03%	1.04%	1.33%	1.60%	1.06%	1.06%	1.06%	1.06%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.03%	1.01%	0.98%	1.03%	1.04%	1.33%	1.60%	1.06%	1.06%	1.06%	1.06%	1.06%	
TOTAL	2.09%	2.04%	1.99%	2.01%	2.07%	2.37%	2.93%	2.66%	2.12%	2.12%	2.12%	2.12%	
AVG INTEREST RATE	1.05%	1.02%	1.00%	1.01%	1.04%	1.19%	1.47%	1.33%	1.06%	1.06%	1.06%	1.06%	
MONTHLY AVG. RATE	0.09%	0.09%	0.08%	0.08%	0.09%	0.10%	0.12%	0.11%	0.09%	0.09%	0.09%	0.09%	
INTEREST PROVISION	(\$5)	(\$6)	(\$7)	(\$8)	(\$8)	(\$8)	(\$8)	(\$7)	(\$5)	(\$5)	(\$5)	(\$5)	(\$78)

PROGRAM TITLE:

SINGLE & MULTI-FAMILY HOME 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 appliance 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 PROJECTIONS FOR:

JANUARY 2004 THROUGH DECEMBER 2005

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2004 - DECEMBER 2004 (12 MTHS)	52		3
JANUARY 2005 - DECEMBER 2005 (12 MTHS)	30		12

PROGRAM FISCAL EXPENSES FOR:

JANUARY 04 - DECEMBER 05

JANUARY 04 - AUGUST 04	ACTUAL EXPENSES	9,850.00
SEPTEMBER 04 - DECEMBER 04	ESTIMATED EXPENSES	0.00
JANUARY 2005 - DECEMBER 2005	ESTIMATED EXPENSES	8,250.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired. There is almost no speculative new construction.

PROGRAM TITLE:

ELECTRIC RESISTANCE APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION:

This program is designed to promote the replacement of electric resistance appliances with energy efficient natural gas heaters, water heaters and air conditioners. Incentives are offered in the form of cash allowances to assist in defraying the additional costs of 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>

PROGRAM PROJECTIONS FOR:

JANUARY 2004 THROUGH DECEMBER 2005

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>
JANUARY 2004 - DECEMBER 2004 (12 MTHS)	19		1
JANUARY 2005 - DECEMBER 2005 (12 MTHS)	25		1

PROGRAM FISCAL EXPENSES FOR:

JANUARY 2004 THROUGH DECEMBER 2005

JANUARY 04 - AUGUST 04	ACTUAL EXPENSES	4,725.00
SEPTEMBER 04 - DECEMBER 04	ESTIMATED EXPENSES	0.00
JANUARY 2005 - DECEMBER 2005	ESTIMATED EXPENSES	6,075.00

PROGRAM PROGRESS SUMMARY:

Replacement of electric appliances with natural gas appliances continues to be well received by ratepayers in St Joe Natural Gas Company's service territory.