

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2008 THROUGH DECEMBER 2008

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	49,575
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	39,497
3. TOTAL (LINE 1 AND LINE 2)	89,072

<u>RATE SCHEDULE</u>	<u>BILLS</u>	<u>THERM SALES</u>	<u>CUSTOMER CHARGE REVENUES</u>	<u>NON-GAS ENERGY CHARGE</u>	<u>TOTAL CUST. & ENGY CHG REVENUE</u>	<u>ECCR REVENUES</u>	<u>ECCR AS % OF TOTAL REVENUES</u>	<u>DOLLARS THERM</u>	<u>TAX FACTOR</u>	<u>CONSERV FACTOR</u>
GS-1	34,620	738,672	311,580	281,331	592,911	73,983	12.47802%	0.10016	1.00503	0.10066
GS-2	2,553	94,506	22,977	35,994	58,971	7,358	12.47802%	0.07786	1.00503	0.07825
GS-3	452	212,307	18,080	43,873	61,953	7,731	12.47802%	0.03641	1.00503	0.03660
OTHER										
TOTAL	37,625	1,045,485	352,637	361,197	713,834	89,072.38				

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FPSC-COMMISSION CLERK

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2008 THROUGH DECEMBER 2008

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL & BENEFITS</u>	<u>MATERLS. & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	11,100	0	0	0	11,100
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	6,700	0	0	0	6,700
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	31,775	0	0	0	31,775
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,575</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM	<u>CAPITAL INVEST</u>	<u>PYROLL & BENEFITS</u>	<u>MATERLS. & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	332	3,450	3,167	0	0	6,948
B. ESTIMATED	0	0	0	0	1,400	0	0	0	1,400
MULIT-FAMILY HM BUILDER	0	0	0	332	4,850	3,167	0	0	8,348
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	332	2,175	3,167	0	0	5,673
B. ESTIMATED	0	0	0	0	0	0	0	0	0
ELECTRIC REPLACEMENT	0	0	0	332	2,175	3,167	0	0	5,673
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	332	12,375	3,167	0	0	15,873
B. ESTIMATED	0	0	0	0	20,000	0	0	0	20,000
DEALER PROGRAM	0	0	0	332	32,375	3,167	0	0	35,873
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>995</u>	<u>39,400</u>	<u>9,500</u>	<u>0</u>	<u>0</u>	<u>49,895</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	<u>CAPITAL INVEST</u>	<u>PYROLL & BENEFITS</u>	<u>MATERLS. & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	0	0	0	995	39,400	9,500	0	0	49,895
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>995</u>	<u>39,400</u>	<u>9,500</u>	<u>0</u>	<u>0</u>	<u>49,895</u>

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
RESIDENTIAL NEW CONSTRUCTION	175	350	175	350	525	175	1,350	350	350	350	350	350	4,850
RESIDENTIAL APPL. REPLACEMENT	450	225	225	225	0	1,050	0	0	0	0	0	0	2,175
RESIDENTIAL APPL. RETENTION	0	0	5,000	0	0	4,500	0	0	0	0	0	0	9,500
CONS. EDUC	0	0	0	0	0	0	6,075	6,300	5,000	5,000	5,000	5,000	32,375
COMMON COSTS	0	0	0	0	0	0	249	249	249	249	0	0	995
(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
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	625	575	5,400	575	525	5,725	7,674	6,899	5,599	5,599	5,350	5,350	49,895

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2007 THROUGH DECEMBER 2007

	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	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.	-718	-1,062	-879	-659	-379	-362	-276	-325	-321	-272	-538	-804	-6,595
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-718	-1,062	-879	-659	-379	-362	-276	-325	-321	-272	-538	-804	-6,595
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-4,416
CONSERVATION REVS. APPLIC. TO PERIOD	-1,086	-1,430	-1,247	-1,027	-747	-730	-644	-693	-689	-640	-906	-1,172	-11,011
CONSERVATION EXPS. (FORM C-3, PAGE 3)	625	575	5,400	575	525	5,725	7,674	6,899	5,599	5,599	5,350	5,350	49,895
TRUE-UP THIS PERIOD	-461	-855	4,153	-452	-222	4,995	7,029	6,206	4,909	4,959	4,444	4,178	38,885
INTEREST THIS PERIOD (C-3,PAGE 5)	-20	-21	-12	-2	-2	10	38	71	101	127	151	174	613
TRUE-UP & INT. BEG. OF MONTH	-4,416	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	
PRIOR TRUE-UP COLLECT. (REFUND.)	368	368	368	368	368	368	368	368	368	368	368	368	
END OF PERIOD TOTAL NET TRUE-UP	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	39,497	39,497

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2007 THROUGH DECEMBER 2007

	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	-4,416	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	
END. T-UP BEFORE INT.	-4,509	-5,015	-515	-611	-468	4,893	12,300	18,912	24,260	29,688	34,626	39,324	
TOT. BEG. & END. T-UP	-8,925	-9,544	-5,551	-1,138	-1,081	4,423	17,202	31,249	43,242	54,049	64,441	74,101	
AVERAGE TRUE-UP	-4,463	-4,772	-2,776	-569	-541	2,211	8,601	15,625	21,621	27,024	32,220	37,051	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	5.62%	
TOTAL	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.86%	11.24%	11.24%	11.24%	11.24%	
AVG INTEREST RATE	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.43%	5.62%	5.62%	5.62%	5.62%	
MONTHLY AVG. RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.45%	0.47%	0.47%	0.47%	0.47%	
INTEREST PROVISION	-\$20	-\$21	-\$12	-\$2	-\$2	\$10	\$38	\$71	\$101	\$127	\$151	\$174	\$613

PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

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	\$350.00
GAS WATER HEATING	\$350.00
GAS AIR CONDITIONING	\$1,400.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$450.00
	<u>\$2,750.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2007 THROUGH DECEMBER 2008

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	14	0		1	2	3
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	20	5		5	5	3

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	3,450.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	1,400.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	11,100.00

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.

PROGRAM TITLE: RESIDENTIAL 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, air conditioners, dryers, ranges and tankless water heaters. Incentives are offered in the form of cash allowances to assist in defraying the additional costs in purchasing and installing natural gas appliances.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2007 THROUGH DECEMBER 2008

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	7	0				
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	10	2		1	1	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2007 THROUGH DECEMBER 2008

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	2,175.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	0.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	6,700.00

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.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: 0.00

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	20	3				3
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	50	6		1	1	3

PROGRAM FISCAL EXPENSES FOR: RESIDENTIAL APPLIANCE RETENTION PROGRAM

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	12,375.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	20,000.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	31,775.00

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain and existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.