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IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

September 10, 2009

VIA FEDEX

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: Docket No. 090004-GU – Natural gas conservation cost recovery

Dear Ms. Cole:

Enclosed for filing in the above docket on behalf of Peoples Gas System, please find the following:

- Peoples' Petition for Approval of Conservation Cost Recovery Factors;
- Direct Testimony of Kandi M. Floyd on behalf of Peoples ;
- Exhibit ___ (KMF-1R), consisting of Schedules CT-1 through CT-6; and
- Exhibit ___ (KMF-2), consisting of the conservation cost recovery projection forms prescribed by the Commission Staff.

The direct testimony of Mrs. Floyd and the referenced exhibits will be offered by Peoples at the hearing in this docket currently scheduled to commence on November 2, 2009. **Please note** that Exhibit ___ (KMF-1R) supersedes and replaces Exhibit ___ (KMF-1) which was filed in the above docket on May 1, 2009.

Please acknowledge your receipt and the date of filing of the enclosures on the enclosed duplicate copy of this letter, and return the same to me in the enclosed preaddressed envelope.

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Ms. Ann Cole
September 10, 2009
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", with a stylized flourish at the end.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Mrs. Kandi M. Floyd
Matthew R. Costa, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.)
)
)
_____)

Docket No. 090004-GU
Submitted for Filing:
9-11-09

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its conservation cost recovery factors for the period January 1 through December 31, 2010, and in support thereof says:

- 1. The name and address of the Petitioner are:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

- 2. The persons to whom notices, orders, pleadings and correspondence in this docket should be addressed are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Paula K. Brown
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

Matthew R. Costa
Corporate Counsel
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111

- 3. Peoples projects total conservation program expenses of \$6,542,697 for the period January 1 through December 31, 2010. The estimated true-up is an overrecovery of \$1,222,880. After decreasing the projected conservation expenses by the amount of this overrecovery, \$5,319,817 remains to be recovered during the

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January - December 2010 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2010 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.04100
Residential Standby Generator	\$0.04100
Small General Service	\$0.02619
Commercial Standby Generator	\$0.01156
General Service 1	\$0.01156
General Service 2	\$0.00835
General Service 3	\$0.00692
General Service 4	\$0.00519
General Service 5	\$0.00381
Commercial Street Lighting	\$0.00607
Natural Gas Vehicle Service	\$0.00672

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve the conservation adjustment factors set forth in paragraph 3 of this petition for the period January 1 through December 31, 2010.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
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Tampa, Florida 33601-1531
Phone: (813) 273-4321
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Attorneys for Peoples Gas System

Matthew R. Costa
Corporate Counsel
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111
Phone: (813) 228-4938
Fax: (813) 228-1328
E-mail: mcosta@tecoenergy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Exhibits ___(KMF-1R) and ___(KMF-2), have been furnished by U. S. Mail, this 10th day of September, 2009, to the following:

Katherine Fleming, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. Melvin Williams
Florida City Gas
933 East 25th Street
Hialeah, FL 33013-3403

Elizabeth Wade/David Weaver
AGL Resources, Inc.
Ten Peachtree Place, Location 1470
Atlanta, GA 30309

Florida Public Utilities Company
Marc S. Seagrave
P. O. Box 3395
West Palm Beach, FL 33402-3395

Beth Keating, Esquire
Akerman Senterfitt
106 E. College Ave., Suite 1200
Tallahassee, FL 32301

Norman H. Horton, Jr., Esquire
Messer, Caparelo & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317

Mr. Stuart L. Shoaf
St. Joe Natural Gas Company, Inc.
P. O. Box 549
Port St. Joe, FL 32457-0549


Charles A. Costin, Esquire
Costin and Costin
P. O. Box 98
Port St. Joe, FL 32457-0098

Ms. Paula K. Brown
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, FL 33601-0111

Mr. Brian J. Powers
Indiantown Gas Company
P. O. Box 8
Indiantown, FL 34956-0008

Mr. Jerry H. Melendy, Jr.
Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, FL 33870-5452

Robert Scheffel Wright, Esquire
John T. LaVia, Esquire
Young Van Assenderp P.A.
225 South Adams St., Suite 200
Tallahassee, FL 32301



Ansley Watson, Jr.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KANDI M. FLOYD**

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

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

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

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

24
25 Q. What is the purpose of your testimony in this docket?

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A. My testimony addresses Peoples' conservation programs, the expenses that Peoples has incurred, the revenues recovered by Peoples through the ECCR clause from January 2009 through August 2009, and the costs that Peoples seeks to recover through the ECCR clause in 2010.

First, my testimony describes generally the actual and projected expenditures made for the purpose of implementing, promoting and operating Peoples' energy conservation programs for the current period. This information includes the adjusted net true-up amounts associated with those programs for the period January 2008 through December 2008. Next, my testimony addresses the actual costs incurred from January 2009 through August 2009, and revised projections of program costs that Peoples expects to incur from September 2009 through December 2009. In addition, my testimony presents projected conservation program costs for the period January 2010 through December 2010.

Finally, my testimony presents the calculation of the conservation cost recovery adjustment factors to be applied to customers' bills during the period beginning with the first billing cycle for January 2010 and continuing through the last billing cycle for December 2010.

Q. Are you sponsoring any exhibits with your testimony?

A. Yes. I am sponsoring two exhibits produced under my direction and supervision. Exhibit ____ (KMF-1R) contains the conservation cost recovery true-up data for the

1 period January 2008 through December 2008, and Exhibit ____ (KMF-2) contains the
2 conservation cost recovery true-up data for the period January 2009 through August
3 2009 as well as re-projected expenses for the period September 2009 through
4 December 2009. Exhibit ____ (KMF-2) consists of Schedules C-1 through C-5, which
5 contain information related to the calculation of the ECCR factors to be applied to
6 customers' bills during the period January 2010 through December 2010.

7
8 Q. Have you prepared schedules showing the expenditures associated with Peoples'
9 energy conservation programs for the period January 2008 through December 2008?

10
11 A. Yes. Actual expenses for the period January 2008 through December 2008 are shown
12 on Schedule CT-2, page 2, of Exhibit ____ (KMF-1R). Schedule CT-2, page 1
13 presents a comparison of the actual program costs and true-up amount to the projected
14 costs and true-up amount for the same period.

15
16 Q. What are the Company's true-up amounts for the period January 2008 through
17 December 2008?

18
19 A. As shown on Schedule CT-1 of Exhibit ____ (KMF-1R), the end-of-period net true-up
20 for the period is an overrecovery of \$2,770,192 including both principal and interest.
21 The projected true-up for the period, as approved by Commission Order No. PSC-08-
22 0785-FOF-GU, was an overrecovery of \$2,921,911 (including interest). Subtracting
23 the projected true-up overrecovery from the actual overrecovery yields the adjusted
24 net true-up of \$552,298 underrecovery (including interest).

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

A. Yes. Summaries of the Company's programs are presented in Schedule C-5 of Exhibit ____ (KMF-2).

Q. Have you prepared schedules required for the calculation of Peoples' proposed conservation adjustment factors to be applied during the billing periods from January 2010 through and including December 2010?

A. Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual expenses for the period January 2009 through August 2009 and projected expenses for the period September 2009 through December 2009.

Projected expenses for the January 2010 through December 2010 period are shown on Schedule C-2 of Exhibit ____ (KMF-2). The total annual cost projected represents a continuation of Peoples' active expansion of the availability of natural gas throughout Florida. Schedule C-1 shows the calculation of the conservation adjustment factors to be applied to all customers of the Company who are subject to the factors. The estimated true-up amount from Schedule C-3 (Page 4) of Exhibit ____ (KMF-2), an overrecovery, was subtracted from the total of the projected costs for the January 2010 through December 2010 period. The resulting total of \$5,319,817 is the expense to be recovered during calendar year 2010. This total expense was then allocated to the Company's affected rate classes pursuant to the methodology previously approved by

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the Commission, divided by the expected consumption of each rate class, and then adjusted for the regulatory assessment fee.

Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting estimated ECCR revenues and adjustment factors by rate class for the period January 2010 through December 2010.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

ADJUSTED NET TRUE-UP
JANUARY 2008 THROUGH DECEMBER 2008

END OF PERIOD NET TRUE-UP

PRINCIPAL	-2,642,843	
INTEREST	<u>-127,349</u>	-2,770,192

LESS PROJECTED TRUE-UP

PRINCIPAL	-2,798,372	
INTEREST	<u>-123,539</u>	<u>-2,921,911</u>

ADJUSTED NET TRUE-UP		<u>151,719</u>
----------------------	--	----------------

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VERSUS ESTIMATED
 JANUARY 2008 THROUGH DECEMBER 2008

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	453,666	469,725	-16,059
MATERIALS & SUPPLIES	699	1,169	-470
ADVERTISING	1,116,400	940,504	175,896
INCENTIVES	4,153,004	4,253,806	-100,802
OUTSIDE SERVICES	6,347	3,398	2,949
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	5,730,116	5,668,602	61,514
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	5,730,116	5,668,602	61,514
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,372,960	0	-8,372,960
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	-2,642,843	5,668,602	-8,311,445
INTEREST PROVISION	<u>-127,349</u>	<u>0</u>	<u>-127,349</u>
END OF PERIOD TRUE-UP	<u>-2,770,192</u>	<u>5,668,602</u>	<u>-8,438,794</u>

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

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2008 THROUGH DECEMBER 2008

<u>PROGRAM NAME</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVE</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	0	0	1,775,255	0	0	0	1,775,255
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	330	0	0	0	330
PROGRAM 3: RES APPLIANCE RETENTION	0	0	0	1,767,108	0	0	0	1,767,108
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	75,995	0	0	0	75,995
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	498,315	0	0	0	498,315
PROGRAM 6: COMMON COSTS	453,666	699	1,116,400	0	6,347	0	0	1,577,113
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	13,500	0	0	0	13,500
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	22,500	0	0	0	22,500
PROGRAM 9: MONITORING & RESEARCH	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	453,666	699	1,116,400	4,153,004	6,347	0	0	5,730,116

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 JANUARY 2008 THROUGH DECEMBER 2008

<u>PROGRAM NAME</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVE</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	0	0	-14,890	0	0	0	-14,890
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	-300	0	0	0	-300
PROGRAM 3: RES APPLIANCE RETENTION	0	0	0	-92,005	0	0	0	-92,005
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	5,005	0	0	0	5,005
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-17,813	0	0	0	-17,813
PROGRAM 6: COMMON COSTS	-16,059	-470	175,896	0	2,949	0	0	162,317
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	-300	0	0	0	-300
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	19,500	0	0	0	19,500
PROGRAM 9: MONITORING & RESEARCH	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	-16,059	-470	175,896	-100,802	2,949	0	0	61,514

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH
 JANUARY 2008 THROUGH DECEMBER 2008

EXPENSES:	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
PROGRAM 1:	259,360	187,110	131,650	140,870	126,100	119,650	153,490	75,200	91,400	209,125	85,250	196,050	1,775,255
PROGRAM 2:	0	0	0	0	0	0	330	0	0	0	0	0	330
PROGRAM 3:	186,656	139,924	177,055	130,556	149,711	132,028	170,152	153,327	116,447	142,769	122,438	146,047	1,767,108
PROGRAM 4:	480	36,840	11,280	4,950	2,920	0	720	1,800	3,600	1,920	5,035	6,450	75,995
PROGRAM 5:	50,655	43,955	37,255	48,900	42,180	29,375	49,340	42,425	30,265	40,600	52,375	30,990	498,315
PROGRAM 6:	86,921	89,375	110,180	106,273	120,280	75,796	177,246	103,677	226,814	38,559	168,730	273,260	1,577,113
PROGRAM 7:	13,500	0	0	0	0	0	0	0	0	0	0	0	13,500
PROGRAM 8:	0	0	0	0	0	0	0	0	0	22,500	0	0	22,500
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	597,572	497,204	467,420	431,549	441,191	356,849	551,278	376,429	468,526	455,473	433,827	652,797	5,730,116
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	597,572	497,204	467,420	431,549	441,191	356,849	551,278	376,429	468,526	455,473	433,827	652,797	5,730,116

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 JANUARY 2008 THROUGH DECEMBER 2008

CONSERVATION REVENUES	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	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	-272,201	-274,033	-249,876	-230,700	-195,767	-164,523	-157,580	-151,572	-150,653	-149,206	-189,442	-264,882	-2,450,435
4. TOTAL REVENUES	-272,201	-274,033	-249,876	-230,700	-195,767	-164,523	-157,580	-151,572	-150,653	-149,206	-189,442	-264,882	-2,450,435
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-493,544	-5,922,525
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-765,745	-767,577	-743,420	-724,244	-689,311	-658,067	-651,124	-645,116	-644,197	-642,749	-682,986	-758,425	-8,372,960
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	597,572	497,204	467,420	431,549	441,191	356,849	551,278	376,429	468,526	455,473	433,827	652,797	5,730,116
8. TRUE-UP THIS PERIOD	-168,172	-270,372	-276,000	-292,694	-248,120	-301,218	-99,846	-268,687	-175,671	-187,276	-249,159	-105,628	-2,642,843
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-19,343	-14,152	-12,629	-11,629	-10,739	-9,521	-8,963	-8,351	-11,827	-11,637	-6,053	-2,505	-127,349
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-5,922,525	-5,616,497	-5,407,478	-5,202,562	-5,013,341	-4,778,656	-4,595,851	-4,211,117	-3,994,611	-3,688,565	-3,393,935	-3,155,603	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	493,544	493,544	493,544	493,544	493,544	493,544	493,544	493,544	493,544	493,544	493,544	493,544	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	-5,616,497	-5,407,478	-5,202,562	-5,013,341	-4,778,656	-4,595,851	-4,211,117	-3,994,611	-3,688,565	-3,393,935	-3,155,603	-2,770,192	-2,770,192

CALCULATION OF TRUE-UP AND INTEREST PROVISION
 JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	-5,922,525	-5,616,497	-5,407,478	-5,202,562	-5,013,341	-4,778,656	-4,595,851	-4,211,117	-3,994,611	-3,688,565	-3,393,935	-3,155,603	
2. ENDING TRUE-UP BEFORE INTEREST	-5,597,153	-5,393,325	-5,189,934	-5,001,713	-4,767,917	-4,586,330	-4,202,154	-3,986,260	-3,676,738	-3,382,297	-3,149,550	-2,767,687	
3. TOTAL BEGINNING & ENDING TRUE-UP	-11,519,678	-11,009,822	-10,597,411	-10,204,275	-9,781,259	-9,364,987	-8,798,005	-8,197,377	-7,671,349	-7,070,862	-6,543,485	-5,923,290	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-5,759,839	-5,504,911	-5,298,706	-5,102,137	-4,890,629	-4,682,493	-4,399,002	-4,098,688	-3,835,675	-3,535,431	-3,271,742	-2,961,645	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.980%	3.080%	3.090%	2.630%	2.840%	2.430%	2.450%	2.440%	2.450%	4.950%	2.950%	1.490%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	3.080%	3.090%	2.630%	2.840%	2.430%	2.450%	2.440%	2.450%	4.950%	2.950%	1.490%	0.540%	
7. TOTAL (SUM LINES 5 & 6)	8.060%	6.170%	5.720%	5.470%	5.270%	4.880%	4.890%	4.890%	7.400%	7.900%	4.440%	2.030%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.030%	3.085%	2.860%	2.735%	2.635%	2.440%	2.445%	2.445%	3.700%	3.950%	2.220%	1.015%	
9. MONTHLY AVG INTEREST RATE	0.336%	0.257%	0.238%	0.228%	0.220%	0.203%	0.204%	0.204%	0.308%	0.329%	0.185%	0.085%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-19,343	-14,152	-12,629	-11,629	-10,739	-9,521	-8,963	-8,351	-11,827	-11,637	-6,053	-2,505	-127,349

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

Name: RESIDENTIAL HOME 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	\$350
	Tankless Water Heater	\$450
	Furnace	\$350
	Range	\$100
	Dryer	\$100

Program Summary

New Home Goal:	1,989
New Homes Connected:	<u>1,973</u>
Variance:	17
Percent of Goal:	99.2%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,790,145
Actual Cost:	\$1,775,255
Variance:	\$14,890

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

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:	2
Actual:	1
Variance:	1
Percent of Goal:	52.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$630
Actual Cost:	\$330
Variance:	\$300

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

Name: RESIDENTIAL APPLIANCE RETENTION PROGRAM

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

Program Allowances:	Water Heater	.....	\$350
	Tankless Water Heater	.....	\$450
	Furnace	.....	\$350
	Range	.....	\$100
	Dryer	.....	\$100

Program Summary

Goals:	2,066
Actual:	1,963
Variance:	102
Percent of Goal:	95.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,859,113
Actual Cost:	\$1,767,108
Variance:	\$92,005

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

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)	1775
Actual:	1,900
Variance:	-125
Percent of Goal:	107.1%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$70,990
Actual Cost:	\$75,995
Variance:	-\$5,005

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

Name: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Water Heater	\$525
Tankless Water Heater	\$525
Furnace	\$625
Range	\$100
Dryer	\$100
Space Heating	\$65

Program Summary

Goals:	382
Actual:	369
Variance:	13
Percent of Goal:	96.5%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$516,128
Actual Cost:	\$498,315
Variance:	\$17,813

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,414,796
Actual Cost:	\$1,577,113
Variance:	-\$162,317

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

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 Allowance: \$150 / ton

Program Summary

Program Goal:	92
Program Accomplishments:	90
Variance:	2
Percent of Goal:	97.8%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$13,800
Actual Cost:	\$13,500
Variance:	\$300

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

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:	\$3,000
Actual Cost:	\$22,500
Variance:	-\$19,500

Program Progress Report

Reporting Period: JANUARY 2008 THROUGH DECEMBER 2008

Name: MONITORING & RESEARCH

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

Program Summary: Estimated annual cost: \$80,000

Conservation Cost Variance - Actual vs. Projected

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

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: January 2010 Through December 2010

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	6,542,697
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-1,222,880
3. TOTAL (LINE 1 AND LINE 2)	5,319,817

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 & RS-SG	3,612,204	55,950,032	56,350,382	14,984,538	71,334,920	2,282,673	3.19994%	0.04080	1.00503	0.04100
SGS	110,642	5,816,478	2,766,050	1,971,437	4,737,487	151,597	3.19994%	0.02606	1.00503	0.02619
GS-1 & CS-SG	195,406	74,790,375	6,839,210	20,043,821	26,883,031	860,240	3.19994%	0.01150	1.00503	0.01156
GS-2	74,497	115,543,913	3,724,850	26,281,618	30,006,468	960,188	3.19994%	0.00831	1.00503	0.00835
GS-3	9,940	80,057,030	1,491,000	15,747,218	17,238,218	551,612	3.19994%	0.00689	1.00503	0.00692
GS-4	1,568	42,835,234	392,000	6,517,381.00	6,909,381	221,096	3.19994%	0.00516	1.00503	0.00519
GS-5	1,344	75,578,233	403,200	8,556,212	8,959,412	286,696	3.19994%	0.00379	1.00503	0.00381
NGVS	140	195,793	4,900	36,010	40,910	1,309	3.19994%	0.00669	1.00503	0.00672
CSLS	800	730,131	0	137,695	137,695	4,406	3.19994%	0.00603	1.00503	0.00607
TOTAL	4,006,541	451,497,219	71,971,592	94,275,930	166,247,522	5,319,817				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2010 Through December 2010

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	2,055,594	0	0	0	\$2,055,594
2 APPLIANCE RETENTION PROGRAM	0	0	0	0	1,901,142	0	0	0	\$1,901,142
3 RES APPLIANCE REPLACEMENT	0	0	0	0	804,144	0	0	0	\$804,144
4 COM ELECTRIC REPLACEMENT	0	0	0	0	45,817	0	0	0	\$45,817
5 GAS SPACE CONDITIONING	0	0	0	0	50,000	0	0	0	\$50,000
6 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
7 COMMON COSTS	0	500,000	5,000	1,000,000	0	10,000	0	0	\$1,515,000
8 MONITORING AND RESEARCH	0	0	0	0	150,000	0	0	0	\$150,000
9 OIL HEAT REPLACEMENT	0	0	0	0	1,000	0	0	0	\$1,000
10 N/A	0	0	0	0	0	0	0	0	\$0
PROGRAM COSTS	<u>\$0</u>	<u>\$500,000</u>	<u>\$5,000</u>	<u>\$1,000,000</u>	<u>\$5,027,697</u>	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,542,697</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2009 Through December 2009
8 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL HOME BUILDER									
A. ACTUAL	0	0	0	0	995,000	0	0	0	995,000
B. ESTIMATED	0	0	0	0	497,500	0	0	0	497,500
C. TOTAL	0	0	0	0	1,492,500	0	0	0	1,492,500
2 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	1,372,617	0	0	0	1,372,617
B. ESTIMATED	0	0	0	0	686,308	0	0	0	686,308
C. TOTAL	0	0	0	0	2,058,925	0	0	0	2,058,925
3 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	523,205	0	0	0	523,205
B. ESTIMATED	0	0	0	0	261,603	0	0	0	261,603
C. TOTAL	0	0	0	0	784,808	0	0	0	784,808
4 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	32,692	0	0	0	32,692
B. ESTIMATED	0	0	0	0	16,346	0	0	0	16,346
C. TOTAL	0	0	0	0	49,038	0	0	0	49,038
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	300	0	0	0	300
6 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	3,000	0	0	0	3,000
C. TOTAL	0	0	0	0	3,000	0	0	0	3,000
SUB-TOTAL	\$0	\$0	\$0	\$0	\$4,388,571	\$0	\$0	\$0	\$4,388,571

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2009 Through December 2009
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	4,388,571	0	0	0	4,388,571
7. COMMON COSTS									
A. ACTUAL	0	286,725	466	398,534	0	37,618	0	0	723,342
B. ESTIMATED	0	144,000	500	600,000	0	2,000	0	0	746,500
C. TOTAL	0	430,725	966	998,534	0	39,618	0	0	1,469,842
8. MONITORING AND RESEARCH									
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. OIL REPLACEMENT									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	630	0	0	0	630
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	\$430,725	\$966	\$998,534	\$4,389,201	\$39,618	\$0	\$0	\$5,859,043

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 2009 Through December 2009
 8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL HOME BUILDER	230,500	73,000	103,450	188,000	74,600	146,300	130,150	49,000	124,375	124,375	124,375	124,375	\$1,492,500
WATER HEATER RETENTION	150,608	160,374	193,710	196,897	145,728	175,550	191,650	158,100	171,577	171,577	171,577	171,577	\$2,058,925
RES ELECTRIC REPLACEMENT	38,925	72,997	39,283	47,090	38,060	207,675	47,575	31,600	65,401	65,401	65,401	65,401	\$784,808
COM ELECTRIC REPLACEMENT	710	3,280	4,600	4,320	4,922	5,980	3,200	5,680	4,087	4,087	4,087	4,087	\$49,038
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	100	100	100	\$300
SMALL PKG COGEN	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	\$3,000
COMMON COSTS	47,578	97,199	174,123	33,286	92,174	120,096	43,043	115,843	186,625	186,625	186,625	186,625	\$1,469,842
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL REPLACEMENT	330	0	0	0	0	0	0	0	75	75	75	75	\$630
N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$468,651	\$406,650	\$515,166	\$469,593	\$355,484	\$655,601	\$415,618	\$360,223	\$552,139	\$553,239	\$553,239	\$553,239	\$5,859,043

ENERGY CONSERVATION ADJUSTMENT
January 2009 Through December 2009

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.	-452,716	-543,610	-450,864	-362,760	-314,615	-267,324	-241,952	-234,064	-358,488	-358,488	-358,488	-358,488	-4,301,860
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	-452,716	-543,610	-450,864	-362,760	-314,615	-267,324	-241,952	-234,064	-358,488	-358,488	-358,488	-358,488	-4,301,860
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-230,849	-2,770,192
CONSERVATION REVS. APPLIC. TO PERIOD	-683,565	-774,460	-681,714	-593,610	-545,465	-498,173	-472,801	-464,913	-569,338	-569,338	-569,338	-569,338	-7,072,052
CONSERVATION EXPS. (FORM C-3, PAGE 3)	468,651	406,850	515,166	469,593	355,484	655,601	415,618	360,223	552,139	553,239	553,239	553,239	5,659,043
TRUE-UP THIS PERIOD	-214,915	-367,610	-166,548	-124,017	-189,980	157,428	-57,184	-104,690	-37,198	-36,098	-36,098	-36,098	-1,213,009
INTEREST THIS PERIOD (C-3, PAGE 5)	-1,531	-1,812	-1,550	-1,100	-789	-675	-599	-473	-396	-356	-316	-275	-9,871
TRUE-UP & INT. BEG. OF MONTH	-2,770,192	-2,755,788	-2,894,361	-2,831,609	-2,725,877	-2,685,797	-2,298,195	-2,125,128	-1,999,441	-1,806,186	-1,611,791	-1,417,356	-1,222,880
PRIOR TRUE-UP COLLECT. (REFUND.)	230,849	230,849	230,849	230,849	230,849	230,849	230,849	230,849	230,849	230,849	230,849	230,849	2,770,192
END OF PERIOD TOTAL NET TRUE-UP	-2,755,788	-2,894,361	-2,831,609	-2,725,877	-2,685,797	-2,298,195	-2,125,128	-1,999,441	-1,806,186	-1,611,791	-1,417,356	-1,222,880	-1,222,880

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2009 Through December 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	-2,770,192	-2,755,788	-2,894,361	-2,831,609	-2,725,877	-2,685,797	-2,298,195	-2,125,128	-1,999,441	-1,806,186	-1,611,791	-1,417,356	-1,222,880
END. T-UP BEFORE INT.	-2,754,257	-2,892,548	-2,830,059	-2,724,777	-2,685,008	-2,297,520	-2,124,529	-1,998,968	-1,805,790	-1,611,435	-1,417,041	-1,222,605	334,303
TOT. BEG. & END. T-UP	-5,524,449	-5,648,337	-5,724,420	-5,556,386	-5,410,885	-4,983,317	-4,422,724	-4,124,096	-3,805,231	-3,417,622	-3,028,832	-2,639,961	-888,577
AVERAGE TRUE-UP	-2,762,225	-2,824,168	-2,862,210	-2,778,193	-2,705,442	-2,491,658	-2,211,362	-2,062,048	-1,902,615	-1,708,811	-1,514,416	-1,319,981	-444,289
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.5400%	0.7900%	0.7500%	0.5500%	0.4000%	0.3000%	0.3500%	0.3000%	0.2500%	0.2500%	0.2500%	0.2500%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.7900%	0.7500%	0.5500%	0.4000%	0.3000%	0.3500%	0.3000%	0.2500%	0.2500%	0.2500%	0.2500%	0.2500%	
TOTAL	1.3300%	1.5400%	1.3000%	0.9500%	0.7000%	0.6500%	0.6500%	0.5500%	0.5000%	0.5000%	0.5000%	0.5000%	
AVG INTEREST RATE	0.6650%	0.7700%	0.6500%	0.4750%	0.3500%	0.3250%	0.3250%	0.2750%	0.2500%	0.2500%	0.2500%	0.2500%	
MONTHLY AVG. RATE	0.0554%	0.0642%	0.0542%	0.0396%	0.0292%	0.0271%	0.0271%	0.0229%	0.0208%	0.0208%	0.0208%	0.0208%	
INTEREST PROVISION	-\$1,531	-\$1,812	-\$1,550	-\$1,100	-\$789	-\$675	-\$599	-\$473	-\$396	-\$356	-\$316	-\$275	-\$9,871

Peoples Gas System

Reporting: January 2009 Through December 2009

Name: RESIDENTIAL HOME 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 gas appliance installation.

Program Allowances:	Gas Water Heater	\$350.00
	Gas Heating	\$350.00
	Gas Tankless Water Heater	\$450.00
	Gas Cooking	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected new home connections for this period:	6,784
	Actual connections to date this period:	4,523
	Percent of goal:	66.7%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$1,492,500
	Actual to date:	\$995,000

Peoples Gas System

Reporting: January 2009 Through December 2009

Name: WATER HEATER RETENTION

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:	Gas Water Heater	\$350.00
	Gas Heating	\$350.00
	Gas Tankless Water Heater	\$450.00
	Gas Cooking	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected connections for this period:	6,335
	Actual connections to date this period:	4,223
	Percent of goal: 8 Months of Actuals	66.7%

Program Fiscal Expenditures:	Estimated for period:	\$2,058,925
	Actual to date:	\$1,372,617

Peoples Gas System

Reporting: January 2009 Through December 2009

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	\$525.00
	Natural Gas Heating	\$625.00
	Natural Gas Tankless Water Heater	\$525.00
	Natural Gas Range	\$100.00
	Natural Gas Dryer	\$100.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected connections for this period:	2,242
	Actual connections to date this period:	1,495
	Percent of goal:	66.7%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$784,808
	Actual to date:	\$523,205

Peoples Gas System

Reporting: January 2009 Through December 2009

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
Program Goals:	Projected kW Displaced this period:	1,226
	Actual kW Displaced this period	817
	Percent of goal:	67%
Program Fiscal Expenditures:	Estimated for period:	\$49,038
	Actual to date:	\$32,692

Peoples Gas System

Reporting: January 2009 Through December 2009

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 / installation at: \$150 per ton

Program Goals:	Projected tons for this period:	2
	Actual tons for this period	0
	Percent of goal:	0%

Program Fiscal Expenditures:	Estimated for period:	\$300
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2009 Through December 2009

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 Goals:	Projected tons for this period:	20
	Actual tons for this period:	0
	Percent of goal: 8 Months of Actuals	0.0%
Program Fiscal Expenditures:	Estimated for period:	\$3,000
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2009 Through December 2009

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period: **\$1,469,842**

Actual to date: **\$723,342**

Percent of goal: **49.2%**

8 Months of Actuals

Peoples Gas System

Reporting: January 2009 Through December 2009

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 Goals: Projected new connections for this period: 2

Actual connections to date this period: 1

Percent of goal: 47.6%

8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$630

Actual to date: \$300