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Ansley Watson, Jr.
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September 10, 2010

VIA FEDEX

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

RECEIVED FPSC
10 SEP 13 PM 3:04
COMMISSION
CLERK

Re: Docket No. 100004-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; 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 exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on November 1, 2010.

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.

COM 5
APA 1
ECR 7
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CLK J.R.R.

DOCUMENT NUMBER DATE
07645 SEP 13 2010

FPSC-COMMISSION CLERK

Ms. Ann Cole
September 10, 2010
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink that reads "Ansley Watson, Jr." with a stylized flourish at the end.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Mrs. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 100004-GU
Submitted for Filing:
9-13-10

**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, 2011, 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
Tampa Electric Company
P. O. Box 111
Tampa, Florida 33601-0111

Ms. Kandi M. Floyd
Manager – State Regulatory
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

3. Peoples projects total conservation program expenses of \$7,288,913 for the period January 1 through December 31, 2011. The estimated true-up is an overrecovery of \$1,104,557. After decreasing the projected conservation expenses by the amount of this overrecovery, \$6,184,356 remains to be recovered during the

DOCUMENT NUMBER-DATE

07645 SEP 13 2

FPSC-COMMISSION CLERK

January - December 2011 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 2011 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.04135
Residential Standby Generator	\$0.04135
Small General Service	\$0.02828
Commercial Standby Generator	\$0.01315
General Service 1	\$0.01315
General Service 2	\$0.00950
General Service 3	\$0.00786
General Service 4	\$0.00585
General Service 5	\$0.00431
Commercial Street Lighting	\$0.00688
Natural Gas Vehicle Service	\$0.00794

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, 2011.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
Phone: (813) 273-4321
Fax: (813) 273-4396
E-mail: aw@macfar.com

Attorneys for Peoples Gas System

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 Exhibit ____ (KMF-2), have been furnished by U. S. Mail, this 10th day of September, 2010, 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
George Bachman
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, Caparello & 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

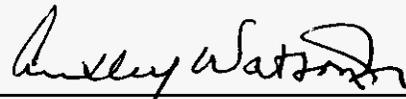
Mr. Brian J. Powers
Indiantown Gas Company
P. O. Box 8
Indiantown, FL 34956-0008

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

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

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

Florida Division of Chesapeake
Utilities Corporation
Thomas Geoffroy
P. O. Box 960
Winter Haven, Florida 33882-0960



Ansley Watson, Jr.



**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 100004-GU
IN RE: ENERGY CONSERVATION
PROJECTION FILING FOR
JANUARY 2011 - DECEMBER 2011
BY PEOPLES GAS SYSTEM**

**TESTIMONY AND EXHIBIT
OF
KANDI M. FLOYD**

DOCUMENT NUMBER: 100004-GU

07645 SEP 15 2

FPSC-COMMISSION CLEAR

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
7 are employed, and in what capacity?
8

9 **A.** My name is Kandi M. Floyd. My business address is
10 Peoples Gas System, 702 North Franklin Street, P.O. Box
11 2562, Tampa, Florida 33601-2562. I am employed by
12 Peoples Gas System ("Peoples" or the "Company") and am
13 the Manager of State Regulatory.
14

15 **Q.** Please describe your educational and employment
16 background.
17

18 **A.** I have a Bachelor of Arts Degree in Business
19 Administration from Saint Leo University. From 1995 to
20 1997, I was employed in a series of positions within the
21 regulatory affairs department of Tampa Electric Company.
22 In 1998, I joined Peoples Gas System as a Regulatory
23 Coordinator in the Regulatory and Gas Supply Department.
24 In 2001, I became the Energy Conservation / Regulatory
25 Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am
2 responsible for managing the Energy Conservation Cost
3 Recovery ("ECCR") Clause and the Purchase Gas Adjustment
4 as well as various other regulatory activities for
5 Peoples.

6
7 **Q.** What is the purpose of your testimony in this docket?

8
9 **A.** My testimony addresses Peoples' conservation programs,
10 the expenses that Peoples has incurred, the revenues
11 recovered by Peoples through the ECCR clause from
12 January 2010 through August 2010, and the costs that
13 Peoples seeks to recover through the ECCR clause in
14 2011.

15
16 First, my testimony describes generally the actual and
17 projected expenditures made for the purpose of
18 implementing, promoting and operating Peoples' energy
19 conservation programs for the current period. This
20 information includes the adjusted net true-up amounts
21 associated with those programs for the period January
22 2009 through December 2009. Next, my testimony
23 addresses the actual costs incurred from January 2010
24 through August 2010, and revised projections of program
25 costs that Peoples expects to incur from September 2010

1 through December 2010. In addition, my testimony
2 presents projected conservation program costs for the
3 period January 2011 through December 2011.

4
5 Finally, my testimony presents the calculation of the
6 conservation cost recovery adjustment factors to be
7 applied to customers' bills during the period beginning
8 with the first billing cycle for January 2011 and
9 continuing through the last billing cycle for December
10 2011.

11
12 **Q.** Has Peoples made any revisions to its current Energy
13 Conservation Programs?

14
15 **A.** Associated Gas Distributors of Florida ("AGDF") filed
16 with the Commission on April 16, 2010, its request for
17 approval to modify certain of the current approved
18 energy conservation programs of its member companies.
19 AGDF is a trade association that represents several
20 investor-owned natural gas utilities which are subject
21 to the Commission's jurisdiction. As a member company
22 of AGDF and without requesting exemption, Peoples'
23 energy conservation programs were subject to the
24 modifications requested in the filing. AGDF's petition
25 in Docket No. 100186-EG sought approval from the

1 Commission to modify the allowances payable in the New
2 Construction Program, Appliance Retention Program and
3 Appliance Replacement Program.
4

5 On September 2, 2010, the Commission issued Order No.
6 PSC-10-0551-PAA-EG approving the energy conservation
7 program modifications. Peoples' 2011 projection filing
8 is based on the allowance amounts that were approved in
9 that Order.
10

11 **Q.** Are you sponsoring any exhibits with your testimony?
12

13 **A.** Yes. I am sponsoring two exhibits produced under my
14 direction and supervision. Exhibit ____ (KMF-1) contains
15 the conservation cost recovery true-up data for the
16 period January 2009 through December 2009, and Exhibit
17 ____ (KMF-2) contains the conservation cost recovery
18 true-up data for the period January 2010 through August
19 2010 as well as re-projected expenses for the period
20 September 2010 through December 2010. Exhibit ____ (KMF-
21 2) consists of Schedules C-1 through C-5, which contain
22 information related to the calculation of the ECCR
23 factors to be applied to customers' bills during the
24 period January 2011 through December 2011.
25

1 Q. Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs
3 for the period January 2009 through December 2009?
4

5 A. Yes. Actual expenses for the period January 2009
6 through December 2009 are shown on Schedule CT-2, page
7 2, of Exhibit ____ (KMF-1). Schedule CT-2, page 1
8 presents a comparison of the actual program costs and
9 true-up amount to the projected costs and true-up amount
10 for the same period.
11

12 Q. What are the Company's true-up amounts for the period
13 January 2009 through December 2009?
14

15 A. As shown on Schedule CT-1 of Exhibit ____ (KMF-1), the
16 end-of-period net true-up for the period is an over-
17 recovery of \$851,408 including both principal and
18 interest. The projected true-up for the period, as
19 approved by Commission Order No. PSC-09-0733-FOF-GU, was
20 an over-recovery of \$1,222,880 (including interest).
21 Subtracting the projected true-up over-recovery from the
22 actual over-recovery yields the adjusted net true-up of
23 \$371,472 under-recovery (including interest).
24

25 Q. Have you prepared summaries of the Company's

1 conservation programs and the projected costs associated
2 with these programs?

3
4 **A.** Yes. Summaries of the Company's programs are presented
5 in Schedule C-5 of Exhibit ____ (KMF-2).
6

7 **Q.** Have you prepared schedules required for the calculation
8 of Peoples' proposed conservation adjustment factors to
9 be applied during the billing periods from January 2011
10 through and including December 2011?
11

12 **A.** Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
13 expenses for the period January 2010 through August 2010
14 and projected expenses for the period September 2010
15 through December 2010.
16

17 Projected expenses for the January 2011 through December
18 2011 period are shown on Schedule C-2 of Exhibit
19 ____ (KMF-2). The total annual cost projected represents
20 a continuation of Peoples' active expansion of the
21 availability of natural gas throughout Florida.
22 Schedule C-1 shows the calculation of the conservation
23 adjustment factors to be applied to all customers of the
24 Company who are subject to the factors. The estimated
25 true-up amount from Schedule C-3 (Page 4) of

1 Exhibit____(KMF-2), an over-recovery, was subtracted
2 from the total of the projected costs for the January
3 2011 through December 2011 period. The resulting total
4 of \$7,288,913 is the expense to be recovered during
5 calendar year 2011. This total expense was then
6 allocated to the Company's affected rate classes
7 pursuant to the methodology previously approved by the
8 Commission, divided by the expected consumption of each
9 rate class, and then adjusted for the regulatory
10 assessment fee.

11
12 Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting
13 estimated ECCR revenues and adjustment factors by rate
14 class for the period January 2011 through December 2011.
15

16 **Q.** Does this conclude your prefiled direct testimony?
17

18 **A.** Yes, it does.
19
20
21
22
23
24
25

**PEOPLES GAS SYSTEM
SCHEDULES SUPPORTING
ENERGY CONSERVATION COST RECOVERY CLAUSE
PROJECTION FILING FOR
January 2011 - December 2011**

ENERGY CONSERVATION COST RECOVERY

INDEX

SCHEDULE	TITLE	PAGE
C-1	Summary of Cost Recovery Clause Calculation	10
C-2	Estimated Conservation Program Costs by Program by Month	11
C-3	Estimated Conservation Program Costs per Program	13
C-5	Program Progress Report	18

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2011 Through December 2011

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	7,288,913
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-1,104,557
3. TOTAL (LINE 1 AND LINE 2)	6,184,356

10

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	3,644,891	65,693,051	56,860,292	17,593,913	74,454,205	2,702,998	3.63042%	0.04115	1.00503	0.04135
SGS	115,864	6,639,916	2,896,592	2,250,533	5,147,125	186,862	3.63042%	0.02814	1.00503	0.02828
GS-1 & CS-SG	186,082	70,414,953	6,512,863	18,871,207	25,384,070	921,547	3.63042%	0.01309	1.00503	0.01315
GS-2	77,692	118,230,464	3,884,609	26,892,701	30,777,310	1,117,344	3.63042%	0.00945	1.00503	0.00950
GS-3	9,448	75,571,904	1,417,180	14,864,993	16,282,173	591,111	3.63042%	0.00782	1.00503	0.00786
GS-4	1,630	49,344,673	407,438	7,507,792.00	7,915,230	287,356	3.63042%	0.00582	1.00503	0.00585
GS-5	1,400	86,390,604	419,925	9,780,280	10,200,205	370,310	3.63042%	0.00429	1.00503	0.00431
NGVS	168	224,532	7,560	41,296	48,856	1,774	3.63042%	0.00790	1.00503	0.00794
CSLS	719	738,313	0	139,238	139,238	5,055	3.63042%	0.00685	1.00503	0.00688
TOTAL	4,037,893	473,248,410	72,406,459	97,941,953	170,348,412	6,184,356				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2011 Through December 2011

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	118,871	118,871	118,871	118,871	118,871	118,871	118,871	118,871	118,871	118,871	118,871	118,871	\$1,426,450
2 APPLIANCE RETENTION PROGRAM	254,756	254,756	254,756	254,756	254,756	254,756	254,756	254,756	254,756	254,756	254,756	254,756	\$3,057,072
3 RES APPLIANCE REPLACEMENT	75,266	75,266	75,266	75,266	75,266	75,266	75,266	75,266	75,266	75,266	75,266	75,266	\$903,188
4 COM ELECTRIC REPLACEMENT	7,157	7,157	7,157	7,157	7,157	7,157	7,157	7,157	7,157	7,157	7,157	7,157	\$85,883
5 GAS SPACE CONDITIONING	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	\$50,000
6 SMALL PKG COGEN	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	\$50,000
7 COMMON COSTS	130,417	130,417	130,417	130,417	130,417	130,417	130,417	130,417	130,417	130,417	130,417	130,417	\$1,565,000
8 MONITORING AND RESEARCH	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	\$150,000
9 OIL HEAT REPLACEMENT	110	110	110	110	110	110	110	110	110	110	110	110	\$1,320
10 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$607,409	\$7,288,913											

11

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2011 Through December 2011

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	1,426,450	0	0	0	\$1,426,450
2 APPLIANCE RETENTION PROGRAM	0	0	0	0	3,057,072	0	0	0	\$3,057,072
3 RES APPLIANCE REPLACEMENT	0	0	0	0	903,188	0	0	0	\$903,188
4 COM ELECTRIC REPLACEMENT	0	0	0	0	85,883	0	0	0	\$85,883
5 GAS SPACE CONDITIONING	0	0	0	0	50,000	0	0	0	\$50,000
6 SMALL PKG COGEN	0	0	0	0	50,000	0	0	0	\$50,000
7 COMMON COSTS	0	350,000	5,000	1,200,000	0	10,000	0	0	\$1,565,000
8 MONITORING AND RESEARCH	0	0	0	0	150,000	0	0	0	\$150,000
9 OIL HEAT REPLACEMENT	0	0	0	0	1,320	0	0	0	\$1,320
10 N/A	0	0	0	0	0	0	0	0	\$0
PROGRAM COSTS	\$0	\$350,000	\$5,000	\$1,200,000	\$5,723,913	\$10,000	\$0	\$0	\$7,288,913

12

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2010 Through December 2010
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	665,700	0	0	0	665,700
B. ESTIMATED	0	0	0	0	332,850	0	0	0	332,850
C. TOTAL	0	0	0	0	998,550	0	0	0	998,550
2 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	1,637,444	0	0	0	1,637,444
B. ESTIMATED	0	0	0	0	818,722	0	0	0	818,722
C. TOTAL	0	0	0	0	2,456,166	0	0	0	2,456,166
3 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	413,083	0	0	0	413,083
B. ESTIMATED	0	0	0	0	206,542	0	0	0	206,542
C. TOTAL	0	0	0	0	619,625	0	0	0	619,625
4 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	56,643	0	0	0	56,643
B. ESTIMATED	0	0	0	0	28,322	0	0	0	28,322
C. TOTAL	0	0	0	0	84,965	0	0	0	84,965
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	\$4,162,605	\$0	\$0	\$0	\$4,162,605

13

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2010 Through December 2010
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	4,162,605	0	0	0	4,162,605
7. COMMON COSTS									
A. ACTUAL	0	231,469	1,021	471,284	0	4,545	0	0	708,319
B. ESTIMATED	0	144,000	500	600,000	0	2,000	0	0	746,500
C. TOTAL	0	375,469	1,521	1,071,284	0	6,545	0	0	1,454,819
8. MONITORING AND RESEARCH									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	6,000	0	0	0	6,000
C. TOTAL	0	0	0	0	6,000	0	0	0	6,000
9. OIL REPLACEMENT									
A. ACTUAL	0	0	0	0	990	0	0	0	990
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	1,290	0	0	0	1,290
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	\$375,469	\$1,521	\$1,071,284	\$4,169,895	\$6,545	\$0	\$0	\$5,624,714

14

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2010 Through December 2010
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL HOME BUILDER	108,550	50,150	69,700	64,700	59,300	79,900	117,300	116,100	83,213	83,213	83,213	83,213	\$998,550
WATER HEATER RETENTION	178,007	195,024	185,165	250,824	200,994	190,696	191,160	245,574	204,681	204,681	204,681	204,681	\$2,456,166
RES ELECTRIC REPLACEMENT	37,875	38,770	42,710	75,535	61,000	52,150	46,475	58,568	51,635	51,635	51,635	51,635	\$619,625
COM ELECTRIC REPLACEMENT	13,368	0	4,740	5,480	3,600	10,815	11,320	7,320	7,080	7,080	7,080	7,080	\$84,965
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	69,886	55,690	93,009	95,197	138,960	66,361	65,518	123,698	186,625	186,625	186,625	186,625	\$1,454,819
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	2,000	2,000	2,000	\$6,000
OIL REPLACEMENT	330	0	660	0	0	0	0	0	75	75	75	75	\$1,290
N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$408,016	\$339,634	\$395,984	\$491,736	\$463,854	\$399,922	\$431,773	\$551,260	\$533,309	\$536,409	\$536,409	\$536,409	\$5,624,714

15

ENERGY CONSERVATION ADJUSTMENT
January 2010 Through December 2010

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.	-861,466	-803,686	-823,517	-627,798	-433,203	-347,514	-337,833	-327,592	-327,592	-327,592	-327,592	-327,592	-5,872,976
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	-861,466	-803,686	-823,517	-627,798	-433,203	-347,514	-337,833	-327,592	-327,592	-327,592	-327,592	-327,592	-5,872,976
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-70,951	-851,408
CONSERVATION REVS. APPLIC. TO PERIOD	-932,416	-874,637	-894,468	-698,749	-504,154	-418,464	-408,783	-398,543	-398,543	-398,543	-398,543	-398,543	-6,724,384
CONSERVATION EXPS. (FORM C-3, PAGE 3)	408,016	339,634	395,984	491,736	463,854	399,922	431,773	551,260	533,309	536,409	536,409	536,409	5,624,714
TRUE-UP THIS PERIOD	-524,400	-535,003	-498,484	-207,012	-40,300	-18,542	22,989	152,717	134,766	137,866	137,866	137,866	-1,099,671
INTEREST THIS PERIOD (C-3, PAGE 5)	-180	-263	-347	-415	-551	-655	-579	-478	-428	-379	-331	-282	-4,886
TRUE-UP & INT. BEG. OF MONTH	-851,408	-1,305,037	-1,769,352	-2,197,232	-2,333,709	-2,303,610	-2,251,856	-2,158,495	-1,935,304	-1,730,015	-1,521,578	-1,313,091	-1,104,557
PRIOR TRUE-UP COLLECT. (REFUND.)	70,951	70,951	70,951	70,951	70,951	70,951	70,951	70,951	70,951	70,951	70,951	70,951	851,408
END OF PERIOD TOTAL NET TRUE-UP	-1,305,037	-1,769,352	-2,197,232	-2,333,709	-2,303,610	-2,251,856	-2,158,495	-1,935,304	-1,730,015	-1,521,578	-1,313,091	-1,104,557	-1,104,557

16

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2010 Through December 2010

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	-851,408	-1,305,037	-1,769,352	-2,197,232	-2,333,709	-2,303,610	-2,251,856	-2,158,495	-1,935,304	-1,730,015	-1,521,578	-1,313,091	-1,104,557
END. T-UP BEFORE INT.	-1,304,858	-1,769,089	-2,196,885	-2,333,294	-2,303,059	-2,251,201	-2,157,916	-1,934,827	-1,729,587	-1,521,198	-1,312,761	-1,104,275	-1,352,819
TOT. BEG. & END. T-UP	-2,156,266	-3,074,127	-3,966,237	-4,530,526	-4,636,768	-4,554,811	-4,409,772	-4,093,321	-3,664,892	-3,251,213	-2,834,338	-2,417,366	-2,457,376
AVERAGE TRUE-UP	-1,078,133	-1,537,063	-1,983,119	-2,265,263	-2,318,384	-2,277,405	-2,204,886	-2,046,661	-1,832,446	-1,625,607	-1,417,169	-1,208,683	-1,228,688
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.2000%	0.2000%	0.2100%	0.2100%	0.2300%	0.3400%	0.3500%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.2000%	0.2100%	0.2100%	0.2300%	0.3400%	0.3500%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%
TOTAL	0.4000%	0.4100%	0.4200%	0.4400%	0.5700%	0.6900%	0.6300%	0.5600%	0.5600%	0.5600%	0.5600%	0.5600%	0.5600%
AVG INTEREST RATE	0.2000%	0.2050%	0.2100%	0.2200%	0.2850%	0.3450%	0.3150%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%
MONTHLY AVG. RATE	0.0167%	0.0171%	0.0175%	0.0183%	0.0238%	0.0288%	0.0263%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%
INTEREST PROVISION	-\$180	-\$263	-\$347	-\$415	-\$551	-\$655	-\$579	-\$478	-\$428	-\$379	-\$331	-\$282	-\$4,886

17

Peoples Gas System

Reporting: January 2010 Through December 2010

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:	4,539
	Actual connections to date this period:	3,026
	Percent of goal:	66.7%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$998,550
	Actual to date:	\$665,700

Peoples Gas System

Reporting: January 2010 Through December 2010

Name: WATER HEATER RETENTION

Description: This Program is designed to discourage current natural gas costumers 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:	7,557
	Actual connections to date this period:	5,038
	Percent of goal:	66.7%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$2,456,166
	Actual to date:	\$1,637,444

Peoples Gas System

Reporting: January 2010 Through December 2010

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:	1,770
	Actual connections to date this period:	1,180
	Percent of goal:	66.7%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$619,625
	Actual to date:	\$413,083

20

Peoples Gas System

Reporting: January 2010 Through December 2010

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:	2,124
	Actual kW Displaced this period	1,416
	Percent of goal:	67%
Program Fiscal Expenditures:	Estimated for period:	\$84,965
	Actual to date:	\$56,643

Peoples Gas System

Reporting: January 2010 Through December 2010

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 2010 Through December 2010

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:	0.0%
	8 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$3,000
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2010 Through December 2010

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period:	\$1,454,819
Actual to date:	\$708,319
Percent of goal:	48.7%
8 Months of Actuals	

Peoples Gas System

Reporting: January 2010 Through December 2010

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: 4

Actual connections to date this period: 3

Percent of goal: 76.7%

8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$1,290

Actual to date: \$990

25