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IN REPLY REFER TO:

Ansley Watson, Jr.
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May 2, 2016

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 160004-GU – Natural gas conservation cost recovery

Dear Ms. Cole:

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

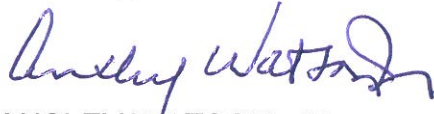
- Peoples' Petition for Approval of True-Up Amount (for the period January through December 2015); and
- Exhibit ____ (KMF-1), consisting of Schedules CT-1 through CT-6.

The enclosed exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on November 2, 2016.

Carlotta S. Stauffer, Commission Clerk
May 2, 2016
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ansley Watson, Jr." in a cursive style.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 160004-GU
Submitted for Filing:
5-2-16

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF TRUE-UP AMOUNT**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its end-of-period final energy conservation cost recovery true-up amount for the period January 1 through December 31, 2015, 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., Esquire
Andrew M. Brown, Esquire
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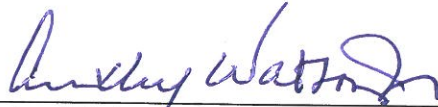
3. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Exhibit ___(KMF-1),

consisting of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. Exhibit ___(KMF-1) is submitted for filing with this petition.

4. For the period January through December 2015, Peoples has calculated its end-of-period final true-up amount to be an overrecovery, including principal and interest, of \$122,899.

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve the overrecovery of \$122,899 as the final true-up amount for the January through December 2015 period.

Respectfully submitted,



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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of Exhibit ____ (KMF-1), have been furnished electronically, this 2nd day of May, 2016 to the following:

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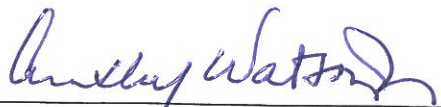
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Ansley Watson, Jr.



**PEOPLES GAS SYSTEM
SCHEDULES SUPPORTING
ENERGY CONSERVATION COST RECOVERY CLAUSE
TRUE-UP FILING
January 2015 - December 2015**

ENERGY CONSERVATION COST RECOVERY

INDEX

SCHEDULE	TITLE	PAGE
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**ADJUSTED NET TRUE-UP
JANUARY 2015 THROUGH DECEMBER 2015**

END OF PERIOD NET TRUE-UP

PRINCIPAL	(122,978)	
INTEREST	79	(122,899)

LESS PROJECTED TRUE-UP

PRINCIPAL	(1,385,855)	
INTEREST	(1,789)	(1,387,644)

ADJUSTED NET TRUE-UP

1,264,745

() REFLECTS OVER-RECOVERY

**ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VERSUS ESTIMATED
 JANUARY 2015 THROUGH DECEMBER 2015**

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	338,864	366,710	(27,846)
MATERIALS & SUPPLIES	625	1,325	(700)
ADVERTISING	1,117,422	1,120,549	(3,127)
INCENTIVES	10,761,763	11,083,776	(322,013)
OUTSIDE SERVICES	49,637	7,581	42,056
VEHICLES	558	558	0
OTHER	66,376	89,732	-23,356
SUB-TOTAL	12,335,245	12,670,231	-334,986
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	12,335,245	12,670,231	-334,986
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(12,458,224)	(10,989,060)	(1,469,163)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(122,978)	1,681,171	(1,804,148)
INTEREST PROVISION	79	-4	83
END OF PERIOD TRUE-UP	(122,899)	1,681,167	(1,804,065)

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

**ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2015 THROUGH DECEMBER 2015**

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVE	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1 NEW RES DENTIAL CONSTRUCTION	0	0	0	3,943,906	0	0	0	3,943,906
PROGRAM 2 RES DENTIAL APPLIANCE RETENTION	0	0	0	4,796,931	0	0	0	4,796,931
PROGRAM 3 RES DENTIAL APPLIANCE REPLACEMENT	0	0	0	923,684	0	0	0	923,684
PROGRAM 4 O L HEAT REPLACEMENT	0	0	0	830	0	0	0	830
PROGRAM 5 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	49,807	0	0	0	49,807
PROGRAM 6 GAS SPACE CONDITION NG	0	0	0	0	0	0	0	0
PROGRAM 7 SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0
PROGRAM 8 MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	41,884	0	0	41,884
PROGRAM 10 COMMERCIAL NEW CONSTRUCTION	0	0	0	110,703	0	0	0	110,703
PROGRAM 11 COMMERCIAL RETENTION	0	0	0	387,894	0	0	0	387,894
PROGRAM 12 COMMERCIAL REPLACEMENT	0	0	0	548,008	0	0	0	548,008
PROGRAM 13 COMMON COSTS	338,864	625	1,117,422	0	7,753	558	66,376	1,531,598
TOTAL	338,864	625	1,117,422	10,761,763	49,637	558	66,376	12,335,245

**CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2015 THROUGH DECEMBER 2015**

	PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVE	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1	NEW RESIDENTIAL CONSTRUCTION	0	0	0	41,008	0	0	0	41,008
PROGRAM 2	RES DENTIAL APPLIANCE RETENTION	0	0	0	(209,338)	0	0	0	(209,338)
PROGRAM 3	RES DENTIAL APPLIANCE REPLACEMENT	0	0	0	(61,806)	0	0	0	(61,806)
PROGRAM 4	OIL HEAT REPLACEMENT	0	0	0	(593)	0	0	0	(593)
PROGRAM 5	COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	18,445	0	0	0	18,445
PROGRAM 6	GAS SPACE CONDITION NG	0	0	0	0	0	0	0	0
PROGRAM 7	SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0
PROGRAM 8	MONITOR NG & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9	CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	(41,874)	41,884	0	0	10
PROGRAM 10	COMMERCIAL NEW CONSTRUCTION	0	0	0	(10,888)	0	0	0	(10,888)
PROGRAM 11	COMMERCIAL RETENTION	0	0	0	34,300	0	0	0	34,300
PROGRAM 12	COMMERCIAL REPLACEMENT	0	0	0	(91,267)	0	0	0	(91,267)
PROGRAM 13	COMMON COSTS	(27,846)	(700)	(3,127)	0	172	0	(23,356)	(54,857)
TOTAL	TOTAL OF ALL PROGRAMS	(27,846)	(700)	(3,127)	(322,013)	42,056	0	(23,356)	(334,986)

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

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**ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2015 THROUGH DECEMBER 2015**

EXPENSES	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEPT 2015	OCT 2015	NOV 2015	DEC 2015	TOTAL
NEW RESIDENTIAL CONSTRUCTION	507,991	303,750	392,800	245,450	360,650	207,950	258,100	387,950	255,515	504,350	275,250	244,150	3,943,906
RESIDENTIAL APPLIANCE RETENTION	514,288	324,721	454,249	339,565	456,111	473,540	357,850	354,576	415,111	417,825	311,650	377,445	4,796,931
RESIDENTIAL APPLIANCE REPLACEMENT	81,430	80,350	93,669	94,025	68,450	87,995	68,950	78,450	81,040	64,325	76,300	48,700	923,684
OIL HEAT REPLACEMENT	0	0	500	0	330	0	0	0	0	0	0	0	830
COMMERCIAL ELECTRIC REPLACEMENT	10,000	0	640	0	0	0	4,722	0	825	0	31,120	2,500	49,807
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	0
MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERVATION DEMONSTRATION DEVELOPMENT	0	3,556	0	1,382	18,937	0	0	0	0	0	18,010	0	41,884
COMMERCIAL NEW CONSTRUCTION	7,428	0	0	12,000	26,000	20,500	5,000	3,300	7,175	2,800	14,500	12,000	110,703
COMMERCIAL RETENTION	25,890	27,440	10,783	20,875	17,500	22,000	81,775	35,275	24,700	44,456	60,000	17,200	387,894
COMMERCIAL REPLACEMENT	91,648	62,648	29,800	36,775	43,776	48,970	59,294	24,902	17,500	59,648	30,886	42,162	548,008
COMMON COSTS	75,659	107,082	125,016	55,171	74,774	102,702	122,609	278,408	205,674	239,997	50,669	93,837	1,531,599
TOTAL	1,314,333	909,548	1,107,457	805,242	1,066,527	963,658	958,301	1,162,861	1,007,541	1,333,401	868,384	837,994	12,335,246

**ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2015 THROUGH DECEMBER 2015**

CONSERVATION REVENUES	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	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	(1,664,230)	(1,725,777)	(1,673,291)	(1,229,117)	(975,667)	(1,002,206)	(912,709)	(928,092)	(891,243)	(927,213)	(1,021,816)	(1,208,624)	(14,159,984)
4. TOTAL REVENUES	(1,664,230)	(1,725,777)	(1,673,291)	(1,229,117)	(975,667)	(1,002,206)	(912,709)	(928,092)	(891,243)	(927,213)	(1,021,816)	(1,208,624)	(14,159,984)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	141,813	141,813	141,813	141,813	141,813	141,813	141,813	141,813	141,813	141,813	141,813	141,817	1,701,760
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(1,522,417)	(1,583,964)	(1,531,478)	(1,087,304)	(833,854)	(860,393)	(770,896)	(786,279)	(749,430)	(785,400)	(880,003)	(1,066,807)	(12,458,224)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,314,333	909,548	1,107,457	805,242	1,066,527	963,658	958,301	1,162,861	1,007,541	1,333,401	868,384	837,994	12,335,246
8. TRUE-UP THIS PERIOD	(208,084)	(674,416)	(424,021)	(282,062)	232,674	103,265	187,405	376,582	258,110	548,001	(11,619)	(228,813)	(122,978)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	43	75	19	(15)	(27)	(29)	(30)	(22)	(6)	21	36	14	79
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	1,701,760	1,351,906	535,752	(30,063)	(453,953)	(363,119)	(401,696)	(356,134)	(121,387)	(5,096)	401,112	247,717	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,813)	(141,817)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	1,351,906	535,752	(30,063)	(453,953)	(363,119)	(401,696)	(356,134)	(121,387)	(5,096)	401,112	247,717	(122,899)	(122,899)

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**CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2015 THROUGH DECEMBER 2015**

	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEPT 2015	OCT 2015	NOV 2015	DEC 2015	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	(309,546)	1,351,906	535,752	(30,063)	(453,953)	(363,119)	(401,696)	(356,134)	(121,387)	(5,096)	401,112	247,717	
2. ENDING TRUE-UP BEFORE INTEREST	1,351,863	535,678	(30,082)	(453,938)	(363,092)	(401,667)	(356,104)	(121,365)	(5,090)	401,092	247,681	(122,913)	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,042,317	1,887,584	505,671	(484,000)	(817,045)	(764,787)	(757,800)	(477,500)	(126,477)	395,995	648,793	124,804	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	521,159	943,792	252,835	(242,000)	(408,522)	(382,393)	(378,900)	(238,750)	(63,239)	197,998	324,397	62,402	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	0.100%	0.100%	0.090%	0.090%	0.060%	0.100%	0.080%	0.110%	0.110%	0.130%	0.120%	0.150%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	0.100%	0.090%	0.090%	0.060%	0.100%	0.080%	0.110%	0.110%	0.130%	0.120%	0.150%	0.400%	
7. TOTAL (SUM LINES 5 & 6)	0.200%	0.190%	0.180%	0.150%	0.160%	0.180%	0.190%	0.220%	0.240%	0.250%	0.270%	0.550%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	0.100%	0.095%	0.090%	0.075%	0.080%	0.090%	0.095%	0.110%	0.120%	0.125%	0.135%	0.275%	
9. MONTHLY AVG INTEREST RATE	0.008%	0.008%	0.008%	0.006%	0.007%	0.008%	0.008%	0.009%	0.010%	0.010%	0.011%	0.023%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	43	75	19	(15)	(27)	(29)	(30)	(22)	(6)	21	36	14	79

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: NEW RESIDENTIAL CONSTRUCTION

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 to builders for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Allowances:	Natural Gas Tank Water Heater	.....	\$ 350
	Natural Gas High Efficiency Water Heater	.....	\$ 400
	Natural Gas Tankless Water Heater	.....	\$ 550
	Natural Gas Furnace	.....	\$ 500
	Natural Gas Cooking (Range, Oven, Cooktop)	.....	\$ 150
	Natural Gas Dryer	.....	\$ 100

Program Summary

New Home Goal:	4,337
New Homes Connected:	<u>4,382</u>
Variance:	<u>-46</u>
Percent of Goal:	101.1%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$3,902,898
Actual Cost:	<u>\$3,943,906</u>
Variance:	<u>-\$41,008</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: RESIDENTIAL APPLIANCE RETENTION

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

Program Allowances:	Natural Gas Tank Water Heater	\$	350
	Natural Gas High Efficiency Water Heater	\$	400
	Natural Gas Tankless Water Heater	\$	550
	Natural Gas Furnace	\$	500
	Natural Gas Cooking (Range, Oven, Cooktop)	\$	100
	Natural Gas Dryer	\$	100

Program Summary

Goals:	5,563
Actual:	<u>5,330</u>
Variance:	<u>233</u>
Percent of Goal:	95.8%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$5,006,269
Actual Cost:	<u>\$4,796,931</u>
Variance:	<u>\$209,338</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: RESIDENTIAL APPLIANCE REPLACEMENT

Description: This program was designed to encourage the replacement of electric resistance appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Allowances:	Natural Gas Tank Water Heater	\$500
	Natural Gas High Efficiency Water Heater	\$550
	Natural Gas Tankless Water Heater	\$675
	Natural Gas Furnace	\$725
	Natural Gas Cooking (Range, Oven, Cooktop)	\$200
	Natural Gas Dryer	\$150
	Natural Gas Space Heating	\$65

Program Summary

Goals:	730
Actual:	<u>684</u>
Variance:	<u>46</u>

Percent of Goal: 93.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$985,490
Actual Cost:	<u>\$923,684</u>
Variance:	<u>\$61,806</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

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 Allowances:	Energy Efficient Gas Furnace	.....	\$330
	Space Heating	.....	\$330

Program Summary

Goals	4
Actual	<u>3</u>
Variance:	<u>2</u>

Percent of Goal: 58.3%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,423
Actual Cost:	<u>\$830</u>
Variance:	<u>\$593</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: COMMERCIAL 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:	784 (Projected kW Displaced)
Actual:	<u>1,245</u>
Variance:	<u>-461</u>
Percent of Goal:	158.8%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$31,362
Actual Cost:	<u>\$49,807</u>
Variance:	<u>-\$18,445</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

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 Allowances: \$150 / ton

Program Summary

Goals: 0

Actual: 0

Variance: 0

Percent of Goal: 0.0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost: \$0

Actual Cost: \$0

Variance: \$0

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: SMALL PACKAGE 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 Allowances: \$150 / kW kW Deferred
\$5,000 Feasibility Study

Program Summary

Goals:	0
Actual:	<u>0</u>
Variance:	<u>0</u>
Percent of Goal:	0.0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$0
Actual Cost:	<u>\$0</u>
Variance:	<u>\$0</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: MONITORING & RESEARCH

Description: This program will be used to monitor and evaluate PGS existing conservation programs and demonstrate prototype technologies emerging in the marketplace.

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

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$0
Actual Cost:	<u>\$0</u>
Variance:	<u>\$0</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: CONSERVATION DEMONSTRATION DEVELOPMENT

Description: The CDD program allows local distribution companies to pursue opportunities for individual and joint research including testing of technologies to develop new energy conservation programs.

Program Summary: Estimated annual cost: \$150,000

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$41,874
Actual Cost:	<u>\$41,884</u>
Variance:	<u>-\$10</u>

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: COMMERCIAL NEW CONSTRUCTION

Description: This Program is designed to increase the number of high priority natural gas customers in the new commercial construction market. The Company offers incentives to customers for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Allowances:

	Small Food	Large Food	Non-Food	Hospitality	Cleaning
Water Heater	up to \$1000	up to \$1500	up to \$1500	up to \$1500	up to \$1500
Tankless Water Heater	up to \$2000	up to \$2000	up to \$2000	up to \$2000	up to \$2000
Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	N/A
Range	up to \$1000	up to \$1500	N/A	up to \$1500	N/A
Dryer	N/A	N/A	N/A	up to \$1500	up to \$1500

Program Summary

Goals: 81
 Actual: 74
 Variance: 7

Percent of Goal: 91.0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost: \$121,591
 Actual Cost: \$110,703
 Variance: \$10,888

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: COMMERCIAL RETENTION

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

Program Allowances:

	Small Food	Large Food	Non-Food	Hospitality	Cleaning
Water Heater	up to \$1000	up to \$1500	up to \$1500	up to \$1500	up to \$1500
Tankless Water Heater	up to \$2000	up to \$2000	up to \$2000	up to \$2000	up to \$2000
Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	N/A
Range	up to \$1000	up to \$1500	N/A	up to \$1500	N/A
Dryer	N/A	N/A	N/A	up to \$1500	up to \$1500

Program Summary

Goals: 236
 Actual: 259
 Variance: -23

Percent of Goal: 109.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost: \$353,594
 Actual Cost: \$387,894
 Variance: (\$34,300)

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: COMMERCIAL REPLACEMENT

Description: This program was designed to encourage the replacement of electric appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Allowances:

	Small Food	Large Food	Non-Food	Hospitality	Cleaning
Water Heater	up to \$1500	up to \$2000	up to \$2000	up to \$2000	up to \$2000
Tankless Water Heater	up to \$2500	up to \$2500	up to \$2500	up to \$2500	up to \$2500
Fryer	up to \$3000	up to \$3000	N/A	\$3,000	N/A
Range	up to \$1500	up to \$1500	N/A	up to \$1500	N/A
Dryer	N/A	N/A	N/A	up to \$1500	up to \$1500

Program Summary

Goals: 256
 Actual: 219
 Variance: 37

Percent of Goal: 85.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost: \$639,275
 Actual Cost: \$548,008
 Variance: \$91,267

Program Progress Report

Reporting Period: JANUARY 2015 THROUGH DECEMBER 2015

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,586,455
Actual Cost:	<u>\$1,531,598</u>
Variance:	<u>\$54,857</u>