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August 18, 2017

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. 20170004-GU - Natural gas conservation cost recovery

Dear Ms. Stauffer:

Attached for electronic 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 Ms. Floyd and the referenced exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on October 25, 2017. Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachments

Carlotta S. Stauffer, Commission Clerk
August 18, 2017
Page 2

cc: Parties of Record
Ms. Kandi M. Floyd
Ansley Watson, Jr., Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20170004-GU
Submitted for Filing:
8-18-17

**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, 2018, 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:

Andrew M. Brown
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

Ms. Kandi M. Floyd
Manager – State Regulatory
Peoples Gas System
P. O. Box 2562
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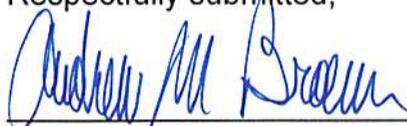
3. Peoples projects total conservation program expenses of \$14,823,660 for the period January 1 through December 31, 2018. The estimated true-up is an under-recovery of \$2,173,969. After increasing the projected conservation expenses by the

amount of this under-recovery, \$16,997,630 remains to be recovered during the January 1 through December 31, 2018 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 1 through December 31, 2018 required to recover such expense are as follows:

Rate Class	ECCR Factor (per therm)
Residential	\$0.09921
Residential Standby Generator	\$0.09921
Small General Service	\$0.05982
Commercial Standby Generator	\$0.02985
General Service 1	\$0.02985
General Service 2	\$0.02174
General Service 3	\$0.01806
General Service 4	\$0.01336
General Service 5	\$0.00980
Natural Gas Vehicle Service	\$0.01844
Commercial Street Lighting	\$0.01577

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, 2018.

Respectfully submitted,



Andrew M. Brown
Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
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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 the Direct Testimony of Kandi M. Floyd and Exhibit ___ (KMF-2), have been furnished by electronic mail, this 18th day of August, 2017, to the following:

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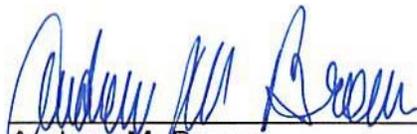
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Andrew M. Brown
Ansley Watson, Jr.



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170004-GU
ENERGY CONSERVATION
PROJECTION FILING FOR
JANUARY 2018 - DECEMBER 2018
BY PEOPLES GAS SYSTEM

TESTIMONY AND EXHIBIT
OF
KANDI M. FLOYD

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
7 employed, and in what capacity?

8
9 **A.** My name is Kandi M. Floyd. My business address is Peoples
10 Gas System, 702 North Franklin Street, P.O. Box 2562,
11 Tampa, Florida 33601-2562. I am employed by Peoples Gas
12 System ("Peoples" or the "Company") and am the Manager of
13 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 Purchased 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 January
12 2017 through July 2017, and the costs that Peoples seeks
13 to recover through the ECCR clause in 2018.

14
15 First, my testimony describes generally the actual and
16 projected expenditures made for the purpose of
17 implementing, promoting and operating Peoples' energy
18 conservation programs for the current period. This
19 information includes the adjusted net true-up amounts
20 associated with those programs for the period January 2016
21 through December 2016. Next, my testimony addresses the
22 actual costs incurred from January 2017 through July 2017,
23 and revised projections of program costs that Peoples
24 expects to incur from August 2017 through December 2017.
25 In addition, my testimony presents projected conservation

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program costs for the period January 2018 through December 2018.

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 2018 and continuing through the last billing cycle for December 2018.

Q. Are you sponsoring any exhibits with your testimony?

A. Yes. I am sponsoring two exhibits produced under my direction and supervision. Exhibit ____ (KMF-1) contains the conservation cost recovery true-up data for the period January 2016 through December 2016, and Exhibit ____ (KMF-2) contains the conservation cost recovery true-up data for the period January 2017 through July 2017 as well as re-projected expenses for the period August 2017 through December 2017. Exhibit ____ (KMF-2) consists of Schedules C-1 through C-5, which contain information related to the calculation of the ECCR factors to be applied to customers' bills during the period January 2018 through December 2018.

1 **Q.** Have you prepared schedules showing the expenditures
2 associated with Peoples' energy conservation programs for
3 the period January 2016 through December 2016?
4

5 **A.** Yes. Actual expenses for the period January 2016 through
6 December 2016 are shown on Schedule CT-2, page 2, of
7 Exhibit ____ (KMF-1). Schedule CT-2, page 1 presents a
8 comparison of the actual program costs and true-up amount
9 to the projected costs and true-up amount for the same
10 period.
11

12 **Q.** What are the Company's true-up amounts for the period
13 January 2016 through December 2016?
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 under-
17 recovery of \$189,620 including both principal and
18 interest. The projected true-up for January 2016 through
19 December 2016, as approved by Commission Order No. PSC-
20 2016-0533-FOF-GU, was an over-recovery of \$416,751
21 (including interest). Subtracting the projected true-up
22 over-recovery from the actual under-recovery yields the
23 adjusted net true-up of \$606,371 under-recovery
24 (including interest).
25

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

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

7
8 **Q.** Have you prepared schedules required for the calculation
9 of Peoples' proposed conservation adjustment factors to
10 be applied during the billing periods from January 2018
11 through and including December 2018?

12
13 **A.** Yes. Schedule C-3 of Exhibit ____ (KMF-2) shows actual
14 expenses for the period January 2017 through July 2017
15 and projected expenses for the period August 2017 through
16 December 2017.

17
18 Projected expenses for the January 2018 through December
19 2018 period are shown on Schedule C-2 of Exhibit ____ (KMF-
20 2). The total annual cost projected represents a
21 continuation of Peoples' efforts to expand the
22 availability of natural gas throughout Florida, and to
23 retain its existing natural gas customers. Schedule C-1
24 shows the calculation of the conservation adjustment
25 factors to be applied to all customers of the Company who

1 are subject to the factors. The estimated true-up amount
2 from Schedule C-3 (Page 4) of Exhibit____(KMF-2), an
3 under-recovery, was added to the total of the projected
4 costs for the January 2018 through December 2018 period.
5 The resulting total of \$16,997,630 is the expense to be
6 recovered during calendar year 2018. This total expense
7 was then allocated to the Company's affected rate classes
8 pursuant to the methodology previously approved by the
9 Commission, divided by the expected consumption of each
10 rate class, and then adjusted for the regulatory
11 assessment fee.

12
13 Schedule C-1 of Exhibit ____ (KMF-2) shows the resulting
14 estimated ECCR revenues and adjustment factors by rate
15 class for the period January 2018 through December 2018.
16

17 **Q.** Do the revised projections for 2017 and the projections
18 for 2018 include any new expenses?
19

20 **A.** Yes. New common costs categorized as outside services
21 have been added in 2017 and in the projected expenses for
22 2018. These costs in both periods are associated with
23 the implementation of an online rebate or allowance
24 processing platform. This program will enable Peoples to
25 provide both an improved customer experience for

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customers applying for energy conservation program allowances and a more streamlined and efficient back end process.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

PEOPLES GAS SYSTEM
ENERGY CONSERVATION COST RECOVERY CLAUSE
PROJECTION FILING FOR
January 2018 - December 2018

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 2018 Through December 2018

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	14,823,660
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	2,173,969
3. TOTAL (LINE 1 AND LINE 2)	16,997,630

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	4,123,216	70,310,684	64,597,058	18,830,607	83,427,665	6,940,656	8.31937%	0.09871	1.00503	0.09921
SGS	137,684	9,143,053	3,442,107	3,098,946	6,541,053	544,174	8.31937%	0.05952	1.00503	0.05982
GS-1 & CS-SG	219,015	86,154,214	7,665,533	23,089,329	30,754,862	2,558,611	8.31937%	0.02970	1.00503	0.02985
GS-2	92,644	142,420,560	4,632,198	32,394,981	37,027,179	3,080,428	8.31937%	0.02163	1.00503	0.02174
GS-3	11,455	88,798,576	1,718,265	17,466,680	19,184,945	1,596,066	8.31937%	0.01797	1.00503	0.01806
GS-4	2,279	75,146,845	569,750	11,433,592.00	12,003,342	998,602	8.31937%	0.01329	1.00503	0.01336
GS-5	1,752	129,742,098	525,600	14,688,103	15,213,703	1,265,684	8.31937%	0.00976	1.00503	0.00980
NGVS	168	206,420	7,560	37,965	45,525	3,787	8.31937%	0.01835	1.00503	0.01844
CSLS	480	613,200	0	115,643	115,643	9,621	8.31937%	0.01569	1.00503	0.01577
TOTAL	4,588,694	602,535,650	83,158,071	121,155,846	204,313,917	16,997,630				

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ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2018 Through December 2018

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	489,844	489,844	489,844	489,844	489,844	489,844	489,844	489,844	489,844	489,844	489,844	489,844	\$5,878,133
2 RESIDENTIAL APPLIANCE RETENTION	404,339	404,339	404,339	404,339	404,339	404,339	404,339	404,339	404,339	404,339	404,339	404,339	\$4,852,063
3 RESIDENTIAL APPLIANCE REPLACEMENT	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	57,840	\$694,081
4 COMMERCIAL ELECTRIC REPLACEMENT	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	\$32,314
5 GAS SPACE CONDITIONING	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	\$25,000
6 SMALL PACKAGE COGEN	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	\$25,000
7 COMMON COSTS	174,255	174,255	174,255	174,255	174,255	174,255	174,255	174,255	174,255	174,255	174,255	174,255	\$2,091,058
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	117	117	117	117	117	117	117	117	117	117	117	117	\$1,400
10 CONSERVATION DEMONSTRATION DEVELOPMENT	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
11 COMMERCIAL NEW CONSTRUCTION	15,254	15,254	15,254	15,254	15,254	15,254	15,254	15,254	15,254	15,254	15,254	15,254	\$183,050
12 COMMERCIAL RETENTION	25,098	25,098	25,098	25,098	25,098	25,098	25,098	25,098	25,098	25,098	25,098	25,098	\$301,174
13 COMMERCIAL REPLACEMENT	57,532	57,532	57,532	57,532	57,532	57,532	57,532	57,532	57,532	57,532	57,532	57,532	\$690,387
TOTAL ALL PROGRAMS	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$1,235,305	\$14,823,660

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2018 Through December 2018

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	5,878,133	0	0	0	\$5,878,133
2 RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	4,852,063	0	0	0	\$4,852,063
3 RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	694,081	0	0	0	\$694,081
4 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	32,314	0	0	0	\$32,314
5 GAS SPACE CONDITIONING	0	0	0	0	25,000	0	0	0	\$25,000
6 SMALL PACKAGE COGEN	0	0	0	0	25,000	0	0	0	\$25,000
7 COMMON COSTS	0	409,011	0	1,320,000	0	351,633	0	10,415	\$2,091,058
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	0	0	0	0	1,400	0	0	0	\$1,400
10 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	50,000	0	0	0	\$50,000
11 COMMERCIAL NEW CONSTRUCTION	0	0	0	0	183,050	0	0	0	\$183,050
12 COMMERCIAL RETENTION	0	0	0	0	301,174	0	0	0	\$301,174
13 COMMERCIAL REPLACEMENT	0	0	0	0	690,387	0	0	0	\$690,387
PROGRAM COSTS	\$0	\$409,011	\$0	\$1,320,000	\$12,732,602	\$351,633	\$0	\$10,415	\$14,823,660

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2017 Through December 2017
7 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION									
A. ACTUAL	0	0	0	0	2,762,875	0	0	0	2,762,875
B. ESTIMATED	0	0	0	0	3,000,000	0	0	0	3,000,000
C. TOTAL	0	0	0	0	5,762,875	0	0	0	5,762,875
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	2,774,873	0	0	0	2,774,873
B. ESTIMATED	0	0	0	0	1,982,052	0	0	0	1,982,052
C. TOTAL	0	0	0	0	4,756,925	0	0	0	4,756,925
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	396,942	0	0	0	396,942
B. ESTIMATED	0	0	0	0	283,530	0	0	0	283,530
C. TOTAL	0	0	0	0	680,471	0	0	0	680,471
4 COMMERCIAL ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	15,680	0	0	0	15,680
B. ESTIMATED	0	0	0	0	16,000	0	0	0	16,000
C. TOTAL	0	0	0	0	31,680	0	0	0	31,680
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
6 SMALL PACKAGE COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	\$0	\$0	\$0	\$0	\$11,231,951	\$0	\$0	\$0	\$11,231,951

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2017 Through December 2017
7 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	11,231,951	0	0	0	11,231,951
7. COMMON COSTS									
A. ACTUAL	0	231,640	0	381,733	0	33,099	0	9,111	655,583
B. ESTIMATED	0	165,457	0	886,501	0	205,324	0	1,000	1,258,282
C. TOTAL	0	397,098	0	1,268,234	0	238,423	0	10,111	1,913,866
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 HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	0	0	0	0	1,923	0	0	0	1,923
B. ESTIMATED	0	0	0	0	18,000	0	0	0	18,000
C. TOTAL	0	0	0	0	19,924	0	0	0	19,924
11. COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	104,175	0	0	0	104,175
B. ESTIMATED	0	0	0	0	74,411	0	0	0	74,411
C. TOTAL	0	0	0	0	178,586	0	0	0	178,586
12. COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	171,400	0	0	0	171,400
B. ESTIMATED	0	0	0	0	122,429	0	0	0	122,429
C. TOTAL	0	0	0	0	293,829	0	0	0	293,829
13. COMMERCIAL REPLACEMENT									
A. ACTUAL	0	0	0	0	392,903	0	0	0	392,903
B. ESTIMATED	0	0	0	0	280,645	0	0	0	280,645
C. TOTAL	0	0	0	0	673,549	0	0	0	673,549
TOTAL	\$0	\$397,098	\$0	\$1,268,234	\$12,397,838	\$238,423	\$0	\$10,111	\$14,311,703

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 2017 Through December 2017
7 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	4,800	264,250	278,800	380,250	430,750	742,275	661,750	600,000	600,000	600,000	600,000	600,000	\$5,762,875
RESIDENTIAL APPLIANCE RETENTION	178,841	195,875	412,100	298,600	633,177	579,318	476,962	396,410	396,410	396,410	396,410	396,410	\$4,756,925
RESIDENTIAL APPLIANCE REPLACEMENT	38,825	38,098	65,250	31,325	91,843	71,850	59,750	56,706	56,706	56,706	56,706	56,706	\$680,471
COMMERCIAL ELECTRIC REPLACEMENT	900	0	14,360	0	0	0	420	3,200	3,200	3,200	3,200	3,200	\$31,680
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
COMMON COSTS	76,567	114,782	49,674	52,838	126,105	109,141	126,476	251,656	251,656	251,656	251,656	251,656	\$1,913,866
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	0	0	1,923	3,600	3,600	3,600	3,600	3,600	\$19,924
COMMERCIAL NEW CONSTRUCTION	13,175	23,000	10,500	12,000	38,000	0	7,500	14,882	14,882	14,882	14,882	14,882	\$178,586
COMMERCIAL RETENTION	9,250	38,500	15,250	46,000	44,500	0	17,900	24,486	24,486	24,486	24,486	24,486	\$293,829
COMMERCIAL REPLACEMENT	64,365	46,913	42,500	46,937	79,975	0	112,213	56,129	56,129	56,129	56,129	56,129	\$673,549
TOTAL ALL PROGRAMS	\$386,723	\$721,418	\$888,434	\$867,950	\$1,444,351	\$1,502,585	\$1,464,893	\$1,407,070	\$1,407,070	\$1,407,070	\$1,407,070	\$1,407,070	\$14,311,703

ENERGY CONSERVATION ADJUSTMENT
January 2017 Through December 2017

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	-1,348,016	-1,266,415	-1,184,675	-1,151,187	-1,006,057	-877,961	-808,505	-824,675	-849,416	-865,909	-989,611	-1,154,546	-12,326,973
b. CONSERV. ADJ. REV	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-1,348,016	-1,266,415	-1,184,675	-1,151,187	-1,006,057	-877,961	-808,505	-824,675	-849,416	-865,909	-989,611	-1,154,546	-12,326,973
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	15,802	15,802	15,802	15,802	15,802	15,802	15,802	15,802	15,802	15,802	15,802	15,802	189,620
CONSERVATION REVS. APPLIC. TO PERIOD	-1,332,214	-1,250,614	-1,168,873	-1,135,385	-990,255	-862,160	-792,704	-808,874	-833,614	-850,108	-973,809	-1,138,744	-12,137,353
CONSERVATION EXPS. (FORM C-3, PAGE 3)	386,723	721,418	888,434	867,950	1,444,351	1,502,585	1,464,893	1,407,070	1,407,070	1,407,070	1,407,070	1,407,070	14,311,703
TRUE-UP THIS PERIOD	-945,491	-529,196	-280,439	-267,435	454,095	640,425	672,190	598,196	573,456	556,962	433,261	268,326	2,174,350
INTEREST THIS PERIOD (C-3,PAGE 5)	-177	-601	-965	-1,317	-1,267	-973	-468	101	633	1,147	1,595	1,909	-381
TRUE-UP & INT. BEG. OF MONTH	189,620	-771,849	-1,317,447	-1,614,653	-1,899,207	-1,462,181	-838,530	-182,610	399,886	958,174	1,500,481	1,919,536	2,173,969
PRIOR TRUE-UP COLLECT./(REFUND.)	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-15,802	-189,620
END OF PERIOD TOTAL NET TRUE-UP	-771,849	-1,317,447	-1,614,653	-1,899,207	-1,462,181	-838,530	-182,610	399,886	958,174	1,500,481	1,919,536	2,173,969	2,173,969

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 2017 Through December 2017

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	189,620	-771,849	-1,317,447	-1,614,653	-1,899,207	-1,462,181	-838,530	-182,610	399,886	958,174	1,500,481	1,919,536	2,173,969
END. T-UP BEFORE INT.	-771,672	-1,316,847	-1,613,688	-1,897,890	-1,460,914	-837,557	-182,142	399,785	957,540	1,499,334	1,917,941	2,172,060	4,158,700
TOT. BEG. & END. T-UP	-582,052	-2,088,696	-2,931,135	-3,512,543	-3,360,121	-2,299,738	-1,020,672	217,175	1,357,427	2,457,508	3,418,422	4,091,596	6,332,669
AVERAGE TRUE-UP	-291,026	-1,044,348	-1,465,568	-1,756,271	-1,680,060	-1,149,869	-510,336	108,588	678,713	1,228,754	1,709,211	2,045,798	3,166,334
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.7200%	0.7400%	0.6400%	0.9400%	0.8600%	0.9500%	1.0800%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.7400%	0.6400%	0.9400%	0.8600%	0.9500%	1.0800%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%
TOTAL	1.4600%	1.3800%	1.5800%	1.8000%	1.8100%	2.0300%	2.2000%	2.2400%	2.2400%	2.2400%	2.2400%	2.2400%	2.2400%
AVG INTEREST RATE	0.7300%	0.6900%	0.7900%	0.9000%	0.9050%	1.0150%	1.1000%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%	1.1200%
MONTHLY AVG. RATE	0.0608%	0.0575%	0.0658%	0.0750%	0.0754%	0.0846%	0.0917%	0.0933%	0.0933%	0.0933%	0.0933%	0.0933%	0.0933%
INTEREST PROVISION	-\$177	-\$601	-\$965	-\$1,317	-\$1,267	-\$973	-\$468	\$101	\$633	\$1,147	\$1,595	\$1,909	-\$381

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Peoples Gas System

Reporting: January 2017 Through December 2017

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:	Gas Water Heater	\$350.00
	Gas Heating	\$500.00
	Gas Tankless Water Heater	\$550.00
	Gas Cooking	\$150.00
	Gas Dryer	\$100.00

Program Goals:	Projected new home connections for this period:	5,239
	Actual connections to date this period:	2,512
	Percent of goal:	47.9%
	7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$5,762,875
	Actual to date:	\$2,762,875

Peoples Gas System

Reporting: January 2017 Through December 2017

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:	Gas Water Heater	\$350.00
	Gas High Efficiency Water Heater	\$400.00
	Gas Heating	\$500.00
	Gas Tankless Water Heater	\$550.00
	Gas Cooking	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected connections for this period:	11,892
	Actual connections to date this period:	6,937
	Percent of goal: 7 Months of Actuals	58.3%

Program Fiscal Expenditures:	Estimated for period:	\$4,756,925
	Actual to date:	\$2,774,873

Peoples Gas System

Reporting: January 2017 Through December 2017

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 Water Heater	\$500.00
	Natural Gas High Efficiency Water Heater . .	\$550.00
	Natural Gas Heating	\$725.00
	Natural Gas Tankless Water Heater	\$675.00
	Natural Gas Range	\$200.00
	Natural Gas Dryer	\$150.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected connections for this period:	1,296
	Actual connections to date this period:	756
	Percent of goal:	58.3%
	7 Months of Actuals	

Program Fiscal Expenditures:	Estimated for period:	\$680,471
	Actual to date:	\$396,942

Peoples Gas System

Reporting: January 2017 Through December 2017

Name: COMMERCIAL 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:	792
	Actual kW Displaced this period	392
	Percent of goal:	49%
Program Fiscal Expenditures:	Estimated for period:	\$31,680
	Actual to date:	\$15,680

Peoples Gas System

Reporting: January 2017 Through December 2017

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:	0
	Actual tons for this period	0
	Percent of goal:	0%

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

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Peoples Gas System

Reporting: January 2017 Through December 2017

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 Goals:	Projected tons for this period:	0
	Actual tons for this period:	0
	Percent of goal: 7 Months of Actuals	0%
Program Fiscal Expenditures:	Estimated for period:	\$0
	Actual to date:	\$0

Peoples Gas System

Reporting: January 2017 Through December 2017

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period: **\$1,913,866**

Actual to date: **\$655,583**

Percent of goal: **34.3%**
7 Months of Actuals

Peoples Gas System

Reporting: January 2017 Through December 2017

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: 0

Actual connections to date this period: 0

Percent of goal: 0
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$0

Actual to date: \$0

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Peoples Gas System

Reporting: January 2017 Through December 2017

Name: CONSERVATION DEMONSTRATION AND DEVELOPMENT PROGRAM

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 Fiscal Expenditures:	Estimated for period:	\$18,000
	Actual to date:	\$1,923

Peoples Gas System

Reporting: January 2017 Through December 2017

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				
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 Goals: Projected new connections for this period: **74**

Actual connections to date this period: **43**

Percent of goal: **58.3%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$178,586**

Actual to date: **\$104,175**

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Peoples Gas System

Reporting: January 2017 Through December 2017

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				
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	\$1,500	\$1,500

Program Goals: Projected new connections for this period: **101**

Actual connections to date this period: **59**

Percent of goal: **58.3%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$293,829**

Actual to date: **\$171,400**

Peoples Gas System

Reporting: January 2017 Through December 2017

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				
Fryer	up to \$3000	up to \$3000	N/A	up to \$3000	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 Goals: Projected new connections for this period: **216**

Actual connections to date this period: **126**

Percent of goal: **41.67%**
7 Months of Actuals

Program Fiscal Expenditures: Estimated for period: **\$673,549**

Actual to date: **\$392,903**