

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In Re: Energy Conservation :
Cost Recovery Clause :
_____ :

DOCKET NO. 990002-EG

Submitted for Filing:
9-27-99

DIRECT TESTIMONY AND EXHIBIT

of

J. BRENT CALDWELL

on behalf of

PEOPLES GAS SYSTEM

DOCUMENT NUMBER-DATE
11612 SEP 27 99
FPSC-RECORDS/REPORTING

1 Q. Please state your name, business address, by whom you are
2 employed, and in what capacity?

3

4 A. My name is J. Brent Caldwell. My business address is
5 Peoples Gas System, 702 North Franklin Street, P.O. Box
6 2562, Tampa, Florida 33601-2562. I am employed by Peoples
7 Gas System ("Peoples") as Manager of Regulatory and Gas
8 Supply.

9

10 Q. Please describe your educational and employment background?

11

12 A. I have a Bachelor of Electrical Engineering degree from the
13 Georgia Institute of Technology and a Masters of Science in
14 Electrical Engineering from the University of South
15 Florida. From 1985 to 1994, I was employed in a series of
16 progressively more responsible positions in the electrical
17 engineering and systems analysis fields. In 1994, I joined
18 Tampa Electric Company as a Rate Analyst in the Regulatory
19 Affairs Department. As a Rate Analyst, I performed
20 analyses associated with the Fuel Adjustment Clause, the
21 Environmental Cost Recovery Clause and other rate design
22 issues. I joined Peoples in 1997 as a member of the Gas
23 Supply and Regulatory Planning Department. As Manager of
24 Regulatory and Gas Supply, I am primarily responsible for

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coordinating and overseeing all regulatory activity for Peoples, including the Energy Conservation Cost Recovery ("ECCR") Clause.

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

A. My testimony addresses Peoples' energy conservation programs and the costs that Peoples seeks to recover through the ECCR clause. My testimony supports the revenues and expenses that are expected to be incurred in connection with the conservation programs of both the former Peoples Gas System, Inc. (the costs of which are recovered under Peoples' Volume 1 Tariff) and the former West Florida Natural Gas Company (the costs of which are recovered under Peoples' Volume 2 Tariff). I will hereinafter refer to the territory within which the Volume 2 Tariff applies as Peoples' "West Florida Region."

My testimony describes generally the expenditures made and projected to be made in implementing, promoting and operating Peoples' energy conservation programs for the current period. This information includes actual costs incurred in January through August 1999, and revised

1 projections of program costs that Peoples expects to incur
2 from September through December 1999. Next, my testimony
3 presents projected conservation program costs for the
4 period January 1, 2000 through December 31, 2000.

5
6 Finally, my testimony presents the calculation of the
7 conservation cost recovery adjustment factors to be applied
8 to customers' bills during the period beginning January 1,
9 2000 and continuing through December 31, 2000.

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 ____ (JBC-1), consists
15 of Schedules C-1 through C-5, which contain information
16 related to the calculation of the ECCR factors to be
17 applied to customers' bills during the period January
18 through December 2000 in Peoples' divisions other than the
19 West Florida Region. Exhibit _____ (JBC-2), contains the
20 same schedules and similar information for Peoples' West
21 Florida Region.

22

23 **Q.** Have you prepared summaries of the Company's conservation

1 programs and the costs associated with these programs?
2
3 **A.** Yes. Summaries of the Company's programs in divisions
4 other than the West Florida Region are presented in Exhibit
5 ____ (JBC-1), Schedule C-5. Summaries of the programs in
6 the West Florida Region are presented in Exhibit ____ (JBC-
7 2), Schedule C-5.
8
9 **Q.** Have you prepared schedules required for the calculation of
10 Peoples' proposed conservation adjustment factors to be
11 applied during the period from January 1, 2000 through and
12 including December 31, 2000?
13
14 **A.** Yes. Schedule C-3 of Exhibit ____ (JBC-1) (for divisions
15 other than the West Florida Region) and Exhibit ____ (JBC-
16 2) (for the West Florida Region) show actual expenses for
17 the period January through August 1999 and projected
18 expenses for the period September 1999 through December
19 1999.
20
21 Projected expenses for the January through December 2000
22 period are shown on Schedule C-2 of Exhibits ____ (JBC-1)
23 and ____ (JBC-2). The total annual cost projected

1 represents an increase over recent levels as a result of
2 Peoples' active expansion of the availability of natural
3 gas throughout the state of Florida. The levels of Home
4 Builder Incentives and program promotional expenses have
5 increased as a result of increased numbers of new
6 customers. Additionally, the previously approved ECCR
7 factors were reduced as a result of significant levels of
8 prior period overrecovery true-up which no longer exist in
9 the factors for which Peoples now seeks approval. Schedule
10 C-1 of both exhibits shows the calculation of the
11 conservation adjustment factors. The estimated true-up
12 amount from Schedule C-3 (Page 4, line 11) of Exhibit ____
13 (JBC-1) being an overrecovery, and Exhibit ____ (JBC-2)
14 being an underrecovery, were subtracted from the total of
15 the projected costs for the January through December 2000
16 period. The resulting totals of \$10,167,976 (for divisions
17 other than the West Florida Region) and \$1,842,017 (for the
18 West Florida Region) were then allocated to the Company's
19 affected rate classes pursuant to the methodology approved
20 by the Commission.

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22 Schedule C-1 of Exhibit ____ (JBC-1) shows the estimated
23 ECCR revenues and adjustment factors by rate class for

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Peoples' divisions other than the West Florida Region for the period January 1 through December 31, 2000. Schedule C-1 of Exhibit ____ (JBC-2) shows the estimated ECCR revenues and adjustment factors by rate class for Peoples' West Florida Region for the same period.

Q. Does this conclude your prefiled direct testimony?

A. Yes, it does.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2000 Through December 2000

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	10,426,620
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(258,618)
3. TOTAL (LINE 1 AND LINE 2)	10,168,002

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
RESIDENTIAL	2,389,615	43,889,549	16,727,305	18,046,066	34,773,371	3,551,609	10.21359%	0.08092	1.00503	0.08133
SMALL COMMERCIAL	60,791	2,771,857	911,865	935,169	1,847,034	188,648	10.21359%	0.06806	1.00503	0.06840
COMMERCIAL	221,366	111,913,558	3,763,222	27,277,811	31,041,033	3,170,403	10.21359%	0.02833	1.00503	0.02847
COMM. LGE VOL I	32,220	126,675,806	805,500	27,691,331	28,496,831	2,910,549	10.21359%	0.02298	1.00503	0.02309
COMM. LGE VOL II	884	19,825,887	39,780	3,202,872	3,242,652	331,191	10.21359%	0.01670	1.00503	0.01679
STREET LIGHTING	981	1,042,705	0	98,504.00	98,504	10,061	10.21359%	0.00965	1.00503	0.00970
NGVS	235	730,805	5,875	48,379	54,254	5,541	10.21359%	0.00758	1.00503	0.00762
TOTAL	2,706,092	306,850,167	22,253,547	77,300,132	99,553,679	10,168,002				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2000 Through December 2000

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	6,000,000	0	0	0	6,000,000
2 WATER HEATER LOAD RETENTION	0	0	0	0	220,500	0	0	0	220,500
3 OIL HEAT REPLACEMENT	0	0	0	0	40,500	0	0	0	40,500
4 SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
5 COMM ELECTRIC REPLACEMENT	0	0	0	0	144,000	0	0	0	144,000
6 RES ELECTRIC REPLACEMENT	0	0	0	0	1,500,000	0	0	0	1,500,000
7 COMMON COSTS	0	725,120	12,000	1,500,000	0	100,000	15,000	75,000	2,427,120
8 GAS SPACE CONDITIONING	0	0	0	0	94,500	0	0	0	94,500
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	725,120	12,000	1,500,000	7,999,500	100,000	15,000	75,000	10,426,620

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 1999 Through December 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	3,127,113	0	0	0	3,127,113
B. ESTIMATED	0	0	0	0	1,666,664	0	0	0	1,666,664
C. TOTAL	0	0	0	0	4,793,777	0	0	0	4,793,777
2 WATER HEATER LOAD RETENTION									
A. ACTUAL	0	0	0	0	146,280	0	0	0	146,280
B. ESTIMATED	0	0	0	0	80,000	0	0	0	80,000
C. TOTAL	0	0	0	0	226,280	0	0	0	226,280
3 OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	12,210	0	0	0	12,210
B. ESTIMATED	0	0	0	0	20,000	0	0	0	20,000
C. TOTAL	0	0	0	0	32,210	0	0	0	32,210
4 SMALL PKG 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
5 COMM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	52,865	0	0	0	52,865
B. ESTIMATED	0	0	0	0	48,000	0	0	0	48,000
C. TOTAL	0	0	0	0	100,865	0	0	0	100,865
6 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	478,892	6,773	0	323,944	0	0	0	323,944
B. ESTIMATED	0	240,000	4,000	0	240,000	0	0	0	240,000
C. TOTAL	0	718,892	10,773	0	563,944	0	0	0	563,944
SUB-TOTAL	0	718,892	10,773	0	5,717,076	0	0	0	5,717,076

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 990002-EG
 Peoples Gas System
 (JBC-1)

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 January 1999 Through December 1999

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	718,892	10,773	0	5,717,076	0	0	0	5,717,076
7. COMMON COSTS									
A. ACTUAL	0	478,892	6,773	1,027,373	0	51,538	11,171	31,168	1,606,916
B. ESTIMATED	0	240,000	4,000	542,000	0	26,000	6,000	840,000	840,000
C. TOTAL	0	718,892	10,773	1,569,373	0	77,538	17,171	53,168	2,446,916
8. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	29,925	0	29,925	0	0	0	29,925
B. ESTIMATED	0	0	33,332	0	33,332	0	0	0	33,332
C. TOTAL	0	0	63,257	0	63,257	0	0	0	63,257
9. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	1,437,784	84,804	1,569,373	5,780,333	77,538	17,171	53,168	8,227,249

Company: **Peoples Gas System**
Except West Florida Region
 Exhibit No. _____
 Docket No. 990002-EG
Peoples Gas System
(JBC-1)

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 January 1999 Through December 1999

PROGRAM NAME	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
HOME BUILDER PROGRAM	623,085	439,957	479,380	501,650	231,275	327,235	198,036	326,495	416,666	416,666	416,666	416,666	4,793,777
WATER HEATER LOAD RETENTION	20,400	17,200	24,300	17,900	15,680	18,800	16,800	15,200	20,000	20,000	20,000	20,000	226,280
OIL HEAT REPLACEMENT	3,630	2,640	2,310	990	1,320	330	330	660	5,000	5,000	5,000	5,000	32,210
SMALL PKG COGEN	0	0	0	0	0	0	0	0	0	0	0	0	0
COMM ELECTRIC REPLACEMENT	1,240	1,200	9,480	12,920	7,010	645	13,400	6,970	12,000	12,000	12,000	12,000	100,865
RES ELECTRIC REPLACEMENT	39,631	45,018	68,307	44,680	33,198	37,575	30,035	25,500	60,000	60,000	60,000	60,000	563,944
COMMON COSTS	299,954	385,893	235,575	140,941	114,538	173,193	132,247	124,575	210,000	210,000	210,000	210,000	2,446,916
GAS SPACE CONDITIONING	9,375	0	5,100	0	15,000	0	0	450	8,333	8,333	8,333	8,333	63,257
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	997,315	891,908	824,452	719,081	418,021	557,778	390,848	499,850	731,999	731,999	731,999	731,999	8,227,249

ENERGY CONSERVATION ADJUSTMENT
January 1999 Through December 1999

	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b. CONSERV. ADJ. REV.	(675,203)	(619,198)	(669,040)	(719,459)	(593,135)	(558,430)	(535,676)	(502,890)	(609,128)	(609,128)	(609,128)	(609,128)	(7,309,543)
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(675,203)	(619,198)	(669,040)	(719,459)	(593,135)	(558,430)	(535,676)	(502,890)	(609,128)	(609,128)	(609,128)	(609,128)	(7,309,543)
TOTAL REVENUES	(675,203)	(619,198)	(669,040)	(719,459)	(593,135)	(558,430)	(535,676)	(502,890)	(609,128)	(609,128)	(609,128)	(609,128)	(7,309,543)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(95,560)	(1,146,718)
CONSERVATION REVS. APPLIC. TO PERIOD	(770,763)	(714,758)	(764,600)	(815,019)	(688,695)	(653,990)	(631,236)	(598,450)	(704,688)	(704,688)	(704,688)	(704,688)	(8,456,261)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	997,315	891,908	824,452	719,081	418,021	557,778	390,848	499,850	731,999	731,999	731,999	731,999	8,227,249
TRUE-UP THIS PERIOD	226,552	177,150	59,852	(95,938)	(270,674)	(96,212)	(240,388)	(98,600)	27,311	27,311	27,311	27,311	(229,012)
INTEREST THIS PERIOD (C-3,PAGE 5)	(3,988)	(2,786)	(1,950)	(1,635)	(1,989)	(2,412)	(2,790)	(3,198)	(3,014)	(2,482)	(1,949)	(1,413)	(29,606)
TRUE-UP & INT. BEG. OF MONTH	(1,146,718)	(828,594)	(558,670)	(405,208)	(407,221)	(584,325)	(587,388)	(735,007)	(741,244)	(621,387)	(500,999)	(380,076)	
PRIOR TRUE-UP COLLECT./(REFUND.)	95,560	95,560	95,560	95,560	95,560	95,560	95,560	95,560	95,560	95,560	95,560	95,560	1,146,718
END OF PERIOD TOTAL NET TRUE-UP	(828,594)	(558,670)	(405,208)	(407,221)	(584,325)	(587,388)	(735,007)	(741,244)	(621,387)	(500,999)	(380,076)	(258,618)	(258,618)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 1999 Through December 1999

	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(1,146,718)	(828,594)	(558,670)	(405,208)	(407,221)	(584,325)	(587,388)	(735,007)	(741,244)	(621,387)	(500,999)	(380,076)	(380,076)
END. T-UP BEFORE INT.	(824,606)	(555,884)	(403,258)	(405,586)	(582,335)	(584,977)	(732,216)	(738,047)	(618,373)	(498,516)	(378,128)	(257,205)	917,706
TOT. BEG. & END. T-UP	(1,971,324)	(1,384,478)	(961,928)	(810,794)	(989,556)	(1,169,301)	(1,319,604)	(1,473,053)	(1,359,618)	(1,119,903)	(879,126)	(637,282)	537,630
AVERAGE TRUE-UP	(985,662)	(692,239)	(480,964)	(405,397)	(494,778)	(584,651)	(659,802)	(736,527)	(679,809)	(559,952)	(439,563)	(318,641)	268,815
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.9000%	4.8100%	4.8500%	4.8800%	4.8000%	4.8500%	5.0500%	5.1000%	5.3200%	5.3200%	5.3200%	5.3200%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	4.8100%	4.8500%	4.8800%	4.8000%	4.8500%	5.0500%	5.1000%	5.3200%	5.3200%	5.3200%	5.3200%	5.3200%	
TOTAL	9.7100%	9.6600%	9.7300%	9.6800%	9.6500%	9.9000%	10.1500%	10.4200%	10.6400%	10.6400%	10.6400%	10.6400%	
AVG INTEREST RATE	4.8550%	4.8300%	4.8650%	4.8400%	4.8250%	4.9500%	5.0750%	5.2100%	5.3200%	5.3200%	5.3200%	5.3200%	
MONTHLY AVG. RATE	0.4046%	0.4025%	0.4054%	0.4033%	0.4021%	0.4125%	0.4229%	0.4342%	0.4433%	0.4433%	0.4433%	0.4433%	
INTEREST PROVISION	(\$3,988)	(\$2,786)	(\$1,950)	(\$1,635)	(\$1,989)	(\$2,412)	(\$2,790)	(\$3,198)	(\$3,014)	(\$2,482)	(\$1,949)	(\$1,413)	(\$29,606)

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Home Builder Program

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	\$250.00
	Gas Furnace	\$250.00
	Gas Range	\$85.00
	Gas Dryer	\$85.00

Program Goals:	Projected new home connections for this period:	8,944
	Actual connections to date this period:	5,834
	Percent of goal for the eight (8) months:	65.2%

Program Fiscal Expenditures:	Estimated for period:	\$4,793,777
	Actual to date:	\$3,127,113

Company: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 990002-EG
 Peoples Gas System
 (JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Water Heater Load Retention Program

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: Energy Efficient Gas Water Heater \$100.00

Program Goals: Projected connections for this period: 2,263

Actual connections to date this period: 1,463

Percent of goal for the eight (8) months: 64.6%

Program Fiscal Expenditures: Estimated for period: \$226,280

Actual to date: \$146,280

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Replacement of Oil Heating Program

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: 98

Actual connections to date this period: 37

Percent of goal for the eight (8) months: 37.9%

Program Fiscal Expenditures: Estimated for period: \$32,210

Actual to date: \$12,210

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Commercial Electric Replacement Program

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
Each customer allowed a maximum of 100 KWD deferred

Program Goals: Projected KWD displaced this period: **2,522**
Actual KWD displaced this period: **1,322**
Percent of goal for the eight (8) months: **52.4%**

Program Fiscal Expenditures: Estimated for period: **\$100,865**
Actual to date: **\$52,865**

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Residential Electric Replacement Program

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	\$440.00
	Natural Gas Furnace	\$440.00
	Natural Gas Range	\$75.00
	Natural Gas Dryer	\$75.00
	Natural Gas Space Heater	\$65.00

Program Goals:	Projected new connections for this period:	917
	Actual connections to date this period:	527
	Percent of goal for the eight (8) months:	57.4%

Program Fiscal Expenditures:	Estimated for period:	\$563,944
	Actual to date:	\$323,944

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:	\$2,446,916
Actual to date:	\$1,606,916
Percent of budget for eight (8) months:	65.7%

Company: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-1)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Gas Space Conditioning Program

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 a \$150.00 per ton

Program Goals:	Projected connections this period: (tons)	422
	Actual connections this period: (tons)	200
	Percent of goal for the eight (8) months:	47.3%

Program Fiscal Expenditures:	Estimated for period:	\$63,257
	Actual to date:	\$29,925

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2000 Through December 2000

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	1,564,992
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	277,362
3. TOTAL (LINE 1 AND LINE 2)	1,842,354

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
RESIDENTIAL	344,867	10,700,000	2,414,069	3,480,175	5,894,244	1,005,458	17.05830%	0.09397	1.00503	0.09444
COMMERCIAL	30,823	11,439,956	308,230	1,873,636	2,181,866	372,189	17.05830%	0.03253	1.00503	0.03270
COMM. LGE VOL I	252	3,896,421	12,600	539,265	551,865	94,139	17.05830%	0.02416	1.00503	0.02428
INDUSTRIAL	320	9,328,476	16,000	1,291,061	1,307,061	222,962	17.05830%	0.02390	1.00503	0.02402
FIRM TRANSPORTATION	52	11,867,605	5,200	578,783	583,983	99,618	17.05830%	0.00839	1.00503	0.00844
SPECIAL CONTRACT	12	6,511,000	281,316	0	281,316	47,988	17.05830%	0.00737	1.00503	0.00741
TOTAL	376,326	53,743,458	3,037,415	7,762,920	10,800,335	1,842,354				

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
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Peoples Gas System
(JBC-2)

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2000 Through December 2000

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	900,000	0	0	0	900,000
2 ENERGY SAVINGS PAYBACK	0	0	0	0	24,000	0	0	0	24,000
3 WATER HEATER RETENTION	0	0	0	0	39,996	0	0	0	39,996
4 RES. ELECTRIC REPLACEMENT	0	0	0	0	124,500	0	0	0	124,500
5 COMM. ELECTRIC REPLACEMENT	0	0	0	0	60,000	0	0	0	60,000
6 SPACE CONDITIONING	0	0	0	0	30,000	0	0	0	30,000
7 COMMON COSTS	0	123,500	3,000	200,000	0	45,000	14,996	0	386,496
8 N/A	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
11 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	123,500	3,000	200,000	1,178,496	45,000	14,996	0	1,564,992

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 1999 Through December 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	2,161	414,410	0	0	0	416,571
B. ESTIMATED	0	0	0	1,000	112,000	0	0	0	113,000
C. TOTAL	0	0	0	3,161	526,410	0	0	0	529,571
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	1,437	14,300	0	0	0	15,737
B. ESTIMATED	0	0	0	500	7,820	0	0	0	8,320
C. TOTAL	0	0	0	1,937	22,120	0	0	0	24,057
3 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	34,110	0	0	0	34,110
B. ESTIMATED	0	0	0	1,000	12,000	0	0	0	13,000
C. TOTAL	0	0	0	1,000	46,110	0	0	0	47,110
4 RES. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	16,889	41,160	0	0	0	58,049
B. ESTIMATED	0	0	0	8,000	37,000	0	0	0	45,000
C. TOTAL	0	0	0	24,889	78,160	0	0	0	103,049
5 COMM. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	2,269	5,290	0	0	0	7,559
B. ESTIMATED	0	0	0	2,000	16,670	0	0	0	18,670
C. TOTAL	0	0	0	4,269	21,960	0	0	0	26,229
6 SPACE CONDITIONING									
A. ACTUAL	0	0	0	1,210	0	0	0	0	1,210
B. ESTIMATED	0	0	0	1,000	9,000	0	0	0	10,000
C. TOTAL	0	0	0	2,210	9,000	0	0	0	11,210
SUB-TOTAL	0	0	0	37,466	703,760	0	0	0	741,226

Company:

Peoples Gas System

West Florida Region

Exhibit No. _____

Docket No. 990002-EG

Peoples Gas System

(JBC-2)

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 1999 Through December 1999

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	37,466	703,760	0	0	0	741,226
7. COMMON COSTS									
A. ACTUAL	0	51,213	154	208,834	0	2,056	0	863	263,119
B. ESTIMATED	0	30,000	100	171,532	0	1,000	0	200	202,832
C. TOTAL	0	81,213	254	380,366	0	3,056	0	1,063	465,951
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	81,213	254	417,832	703,760	3,056	0	1,063	1,207,177

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
January 1999 Through December 1999

PROGRAM NAME	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
HOME BUILDER PROGRAM	29,020	54,800	115,451	31,700	42,950	45,500	31,100	66,050	28,250	28,250	28,250	28,250	529,571
ENERGY SAVINGS PAYBACK	3,210	1,950	3,977	1,300	2,450	900	1,050	900	2,080	2,080	2,080	2,080	24,057
WATER HEATER RETENTION	2,800	4,200	6,000	1,700	4,150	6,500	6,460	2,300	3,250	3,250	3,250	3,250	47,110
RES. ELECTRIC REPLACEMENT	9,190	21,340	11,619	2,750	3,800	2,500	3,250	3,600	11,250	11,250	11,250	11,250	103,049
COMM. ELECTRIC REPLACEMENT	25,901	(22,858)	4,248	270	0	0	0	0	4,667	4,667	4,667	4,667	26,229
SPACE CONDITIONING	1,210	0	0	0	0	0	0	0	2,500	2,500	2,500	2,500	11,210
COMMON COSTS	20,810	48,800	44,732	35,712	12,443	29,576	21,702	49,344	50,708	50,708	50,708	50,708	465,951
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	92,141	108,232	186,027	73,432	65,793	84,976	63,562	122,194	102,705	102,705	102,705	102,705	1,207,177

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

ENERGY CONSERVATION ADJUSTMENT
January 1999 Through December 1999

	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b. CONSERV. ADJ. REV.	(102,503)	(59,866)	(70,250)	(53,417)	(40,324)	(32,288)	(44,173)	(33,729)	(54,568)	(54,568)	(54,568)	(54,568)	(654,822)
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ. REV. (NET OF REV. TAXES)	(102,503)	(59,866)	(70,250)	(53,417)	(40,324)	(32,288)	(44,173)	(33,729)	(54,568)	(54,568)	(54,568)	(54,568)	(654,822)
TOTAL REVENUES	(102,503)	(59,866)	(70,250)	(53,417)	(40,324)	(32,288)	(44,173)	(33,729)	(54,568)	(54,568)	(54,568)	(54,568)	(654,822)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(22,858)	(274,300)
CONSERVATION REVS. APPLIC. TO PERIOD	(125,361)	(82,724)	(93,108)	(76,275)	(63,182)	(55,146)	(67,031)	(56,587)	(77,426)	(77,426)	(77,426)	(77,426)	(929,122)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	92,141	108,232	186,027	73,432	65,793	84,976	63,562	122,194	102,705	102,705	102,705	102,705	1,207,177
TRUE-UP THIS PERIOD	(33,220)	25,508	92,919	(2,843)	2,611	29,830	(3,469)	65,607	25,279	25,279	25,279	25,279	278,055
INTEREST THIS PERIOD (C-3, PAGE 5)	(1,131)	(1,053)	(732)	(457)	(366)	(216)	(70)	162	469	684	901	1,118	(693)
TRUE-UP & INT. BEG. OF MONTH	(274,300)	(285,793)	(238,480)	(123,435)	(103,877)	(78,775)	(26,303)	(6,984)	81,642	130,248	179,069	228,107	
PRIOR TRUE-UP COLLECT / (REFUND.)	22,858	22,858	22,858	22,858	22,858	22,858	22,858	22,858	22,858	22,858	22,858	22,858	274,300
END OF PERIOD TOTAL NET TRUE-UP	(285,793)	(238,480)	(123,435)	(103,877)	(78,775)	(26,303)	(6,984)	81,642	130,248	179,069	228,107	277,362	277,362

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
January 1999 Through December 1999

	JAN 1999	FEB 1999	MAR 1999	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(274,300)	(285,793)	(238,480)	(123,435)	(103,877)	(78,775)	(26,303)	(6,984)	81,642	130,248	179,069	228,107	228,107
END. T-UP BEFORE INT.	(284,662)	(237,427)	(122,703)	(103,420)	(78,408)	(26,087)	(6,914)	81,481	129,779	178,385	227,206	276,244	552,355
TOT. BEG. & END. T-UP	(558,962)	(523,219)	(361,182)	(226,855)	(182,286)	(104,862)	(33,217)	74,496	211,422	308,633	406,275	504,350	780,462
AVERAGE TRUE-UP	(279,481)	(261,610)	(180,591)	(113,427)	(91,143)	(52,431)	(16,609)	37,248	105,711	154,317	203,138	252,175	390,231
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.0490	0.0481	0.0485	0.0488	0.0480	0.0485	0.0505	0.0510	0.0532	0.0532	0.0532	0.0532	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.0481	0.0485	0.0488	0.0480	0.0485	0.0505	0.0510	0.0532	0.0532	0.0532	0.0532	0.0532	
TOTAL	0.0971	0.0966	0.0973	0.0968	0.0965	0.0990	0.1015	0.1042	0.1064	0.1064	0.1064	0.1064	
AVG INTEREST RATE	0.0486	0.0483	0.0487	0.0484	0.0483	0.0495	0.0508	0.0521	0.0532	0.0532	0.0532	0.0532	
MONTHLY AVG. RATE	0.0040	0.0040	0.0041	0.0040	0.0040	0.0041	0.0042	0.0043	0.0044	0.0044	0.0044	0.0044	
INTEREST PROVISION	(\$1,131)	(\$1,053)	(\$732)	(\$457)	(\$366)	(\$216)	(\$70)	\$162	\$469	\$684	\$901	\$1,118	(\$693)

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Home Builder Program

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	\$150.00
	Gas Furnace	\$250.00
	Gas Range	\$100.00
	Gas Dryer	\$100.00

Program Goals:	Projected new home connections for this period:	1,156
	Actual connections to date this period:	910
	Percent of goal for the eight (8) months:	78.7%

Program Fiscal Expenditures:	Estimated for period:	\$529,571
	Actual to date:	\$416,571

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: ENERGY SAVINGS PAYBACK (ESP) PROGRAM

Description: This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances.

Program Allowances:	Water Heater	\$50.00
	Central Heater	\$50.00
	Range	\$50.00
	Dryer	\$50.00

Program Goals: Projected Installations for the period: 36

Program Fiscal Expenditures:	Estimated for period:	\$24,057
	Actual to date:	\$15,737

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
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Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Water Heater Load Retention Program

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: Energy Efficient Gas Water Heater \$100.00

Program Goals: Projected connections for this period: 471

Actual connections to date this period: 341

Percent of goal for the eight (8) months: 72.4%

Program Fiscal Expenditures: Estimated for period: \$47,110

Actual to date: \$34,110

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Residential Electric & Oil Replacement Program

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 Allowance:	Natural Gas Water Heat	\$250.00
	Natural Gas Furnace	\$500.00
	Natural Gas Range	\$150.00
	Natural Gas Dryer	\$150.00
	Natural Gas Space Heat	\$150.00

Program Goals:	Projected new connections for this period:	428
	Actual connections to date this period:	193
	Percent of goal for the eight (8) months:	45.2%

Program Fiscal Expenditures:	Estimated for period:	\$103,049
	Actual to date:	\$58,049

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Commercial Electric Replacement Program

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 Allowance: For every KW Displaces \$30.00

Program Goals: Projected KWD displaced this period: 874

Actual KWD displaced this period: 252

Percent of goal for the eight (8) months: 28.8%

Program Fiscal Expenditures: Estimated for period: \$26,229

Actual to date: \$7,559

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Gas Space Conditioning Program

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: Each customer allowed 100 tons maximum paid allowance / installation at: \$100.00 per ton

Program Goals:

Projected connections this period: (tons)	112
Actual connections this period: (tons)	12
Percent of goal for the eight (8) months:	10.8%

Program Fiscal Expenditures:

Estimated for period:	\$11,210
Actual to date:	\$1,210

Company: Peoples Gas System
West Florida Region
Exhibit No. _____
Docket No. 990002-EG
Peoples Gas System
(JBC-2)

Peoples Gas System

Reporting: JANUARY 1999 THROUGH DECEMBER 1999

Name: Energy Conservation Common Costs

Program Fiscal Expenditures:	Estimated for period:	\$465,951
	Actual to date:	\$263,119
	Percent of budget for eight (8) months:	56.5%