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IN REPLY REFER TO:

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

September 9, 2013

**VIA FEDEX**

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

**Re: Docket No. 130004-GU – Natural gas conservation cost recovery**

Dear Ms. Cole:

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

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

The direct testimony of Mrs. Floyd and the referenced exhibit will be offered by Peoples at the hearing in this docket currently scheduled to commence on November 4, 2013.

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

*No stamp enclosed for return.  
KB*

COM	5
AFD	1
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Ms. Ann Cole  
September 9, 2013  
Page 2

Thank you for your usual assistance.

Sincerely,

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

ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Parties of Record  
Mrs. Kandi M. Floyd

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural gas conservation cost )  
recovery. )  
\_\_\_\_\_)

Docket No. 130004-GU  
Submitted for Filing:  
9-9-13

**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, 2014, and in support thereof says:

1. The name and address of the Petitioner are:

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

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

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

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

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

3. Peoples projects total conservation program expenses of \$11,382,764 for the period January 1 through December 31, 2014. The estimated true-up is an underrecovery of \$2,645,638. After increasing the projected conservation expenses by the amount of this underrecovery, \$14,028,402 remains to be recovered during the

January - December 2014 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2014 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.08591
Residential Standby Generator	\$0.08591
Small General Service	\$0.05795
Commercial Standby Generator	\$0.02720
General Service 1	\$0.02720
General Service 2	\$0.01978
General Service 3	\$0.01639
General Service 4	\$0.01229
General Service 5	\$0.00902
Commercial Street Lighting	\$0.01441
Natural Gas Vehicle Service	\$0.01783

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, 2014.

Respectfully submitted,



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

Attorneys for Peoples Gas System

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Exhibit \_\_\_ (KMF-2), have been furnished by U. S. Mail, this 9th day of September, 2013, to the following:

Kelley Corbari/Theresa Tan, Esquire  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Ms. Carolyn Bermudez  
Florida City Gas  
933 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3340

Office of Public Counsel  
J.R. Kelly/Charles Rehwinkel  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400

Kandi M. Floyd / Paula K. Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, FL 33601-0111

Beth Keating, Esquire  
Gunster Law Firm  
215 South Monroe St. Suite 618  
Tallahassee, FL 32301

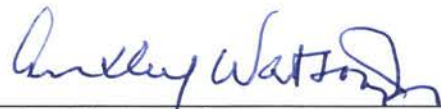
Norman H. Horton, Jr., Esquire  
Messer Law Firm  
P.O. Box 15579  
Tallahassee, FL 32317

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

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

Florida Public Utilities /  
FPUC Indiantown Division  
Cheryl M. Martin/Aleida Socarras  
1641 Worthington Rd., Suite 220  
West Palm Beach, FL 33409-6703

Florida Division of Chesapeake  
Utilities Corporation  
Cheryl Martin/Aleida Socarras  
1641 Worthington Rd., Suite 220  
West Palm Beach, FL 33409-6703



Ansley Watson, Jr.



BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 130004-GU  
ENERGY CONSERVATION  
PROJECTION FILING FOR  
JANUARY 2014 - DECEMBER 2014  
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  
7       are employed, and in what capacity?

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

14  
15   **Q.** Please describe your educational and employment  
16       background.

17  
18   **A.** I have a Bachelor of Arts Degree in Business  
19       Administration from Saint Leo University. From 1995 to  
20       1997, I was employed in a series of positions within the  
21       regulatory affairs department of Tampa Electric Company.  
22       In 1998, I joined Peoples Gas System as a Regulatory  
23       Coordinator in the Regulatory and Gas Supply Department.  
24       In 2001, I became the Energy Conservation / Regulatory  
25       Administrator and in 2003 became the Manager of State

1 Regulatory for Peoples Gas System. In this role, I am  
2 responsible for managing the Energy Conservation Cost  
3 Recovery ("ECCR") Clause and the Purchased Gas  
4 Adjustment as well as various other regulatory  
5 activities for Peoples.  
6

7 **Q.** What is the purpose of your testimony in this docket?  
8

9 **A.** My testimony addresses Peoples' conservation programs,  
10 the expenses that Peoples has incurred, the revenues  
11 recovered by Peoples through the ECCR clause from  
12 January 2013 through August 2013, and the costs that  
13 Peoples seeks to recover through the ECCR clause in  
14 2014.  
15

16 First, my testimony describes generally the actual and  
17 projected expenditures made for the purpose of  
18 implementing, promoting and operating Peoples' energy  
19 conservation programs for the current period. This  
20 information includes the adjusted net true-up amounts  
21 associated with those programs for the period January  
22 2012 through December 2012. Next, my testimony  
23 addresses the actual costs incurred from January 2013  
24 through August 2013, and revised projections of program  
25 costs that Peoples expects to incur from September 2013



1 through December 2013. In addition, my testimony  
2 presents projected conservation program costs for the  
3 period January 2014 through December 2014.

4  
5 Finally, my testimony presents the calculation of the  
6 conservation cost recovery adjustment factors to be  
7 applied to customers' bills during the period beginning  
8 with the first billing cycle for January 2014 and  
9 continuing through the last billing cycle for December  
10 2014.

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

13  
14 **A.** Yes. I am sponsoring two exhibits produced under my  
15 direction and supervision. Exhibit \_\_\_\_ (KMF-1) contains  
16 the conservation cost recovery true-up data for the  
17 period January 2012 through December 2012, and Exhibit  
18 \_\_\_\_ (KMF-2) contains the conservation cost recovery  
19 true-up data for the period January 2013 through August  
20 2013 as well as re-projected expenses for the period  
21 September 2013 through December 2013. Exhibit \_\_\_\_ (KMF-  
22 2) consists of Schedules C-1 through C-5, which contain  
23 information related to the calculation of the ECCR  
24 factors to be applied to customers' bills during the  
25 period January 2014 through December 2014.

1 Q. Have you prepared schedules showing the expenditures  
2 associated with Peoples' energy conservation programs  
3 for the period January 2012 through December 2012?  
4

5 A. Yes. Actual expenses for the period January 2012  
6 through December 2012 are shown on Schedule CT-2, page  
7 2, of Exhibit \_\_\_\_ (KMF-1). Schedule CT-2, page 1  
8 presents a comparison of the actual program costs and  
9 true-up amount to the projected costs and true-up amount  
10 for the same period.  
11

12 Q. What are the Company's true-up amounts for the period  
13 January 2012 through December 2012?  
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 \$1,339,254 including both principal and  
18 interest. The projected true-up for the period, as  
19 approved by Commission Order No. PSC-12-0612-FOF-GU, was  
20 an under-recovery of \$1,739,156 (including interest).  
21 Subtracting the projected true-up over-recovery from the  
22 actual over-recovery yields the adjusted net true-up of  
23 \$399,902 under-recovery (including interest).  
24

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

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conservation programs and the projected costs associated with these programs?

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

**Q.** Have you prepared schedules required for the calculation of Peoples' proposed conservation adjustment factors to be applied during the billing periods from January 2014 through and including December 2014?

**A.** Yes. Schedule C-3 of Exhibit \_\_\_\_ (KMF-2) shows actual expenses for the period January 2013 through August 2013 and projected expenses for the period September 2013 through December 2013.

Projected expenses for the January 2014 through December 2014 period are shown on Schedule C-2 of Exhibit \_\_\_\_ (KMF-2). The total annual cost projected represents a continuation of Peoples' efforts to expand the availability of natural gas throughout Florida, and to retain its existing natural gas customers. Schedule C-1 shows the calculation of the conservation adjustment factors to be applied to all customers of the Company who are subject to the factors. The estimated true-up

1 amount from Schedule C-3 (Page 4) of Exhibit\_\_\_\_(KMF-2),  
2 an under-recovery, was added to the total of the  
3 projected costs for the January 2014 through December  
4 2014 period. The resulting total of \$14,028,402 is the  
5 expense to be recovered during calendar year 2014. This  
6 total expense was then allocated to the Company's  
7 affected rate classes pursuant to the methodology  
8 previously approved by the Commission, divided by the  
9 expected consumption of each rate class, and then  
10 adjusted for the regulatory assessment fee.

11  
12 Schedule C-1 of Exhibit \_\_\_\_ (KMF-2) shows the resulting  
13 estimated ECCR revenues and adjustment factors by rate  
14 class for the period January 2014 through December 2014.  
15

16 **Q.** Has Peoples included any new energy conservation program  
17 costs in its 2014 projection?  
18

19 **A.** Yes. Associated Gas Distributors of Florida ("AGDF")  
20 filed with the Commission on June 17, 2013, its request  
21 for approval of natural gas commercial energy  
22 conservation programs for its member companies. AGDF is  
23 a trade association that represents several investor-  
24 owned natural gas utilities which are subject to the  
25 Commission's jurisdiction and more recently has become

1 the primary advocate for the gas industry's energy  
2 conservation and efficiency programs before the  
3 Commission. As a member company of AGDF and without  
4 requesting exemption, Peoples' energy conservation  
5 programs are subject to the approval of the new  
6 commercial programs requested in the filing. AGDF's  
7 petition in Docket No. 130167-EG seeks approval from the  
8 Commission to implement the new programs for natural gas  
9 appliances installed or replaced in categories defined  
10 as Commercial New Construction, Commercial Appliance  
11 Retention and Commercial Appliance Replacement. In  
12 anticipation of these new programs being approved,  
13 Peoples has included a total of \$552,250 for projected  
14 allowance expenditures.

15  
16 **Q.** What is the current status of Docket No. 130167-EG?

17  
18 **A.** At the time of this filing on September 10, 2013, the  
19 docket is open pending a Commission decision, with the  
20 agenda currently scheduled for September 25, 2013.

21  
22 **Q.** Does this conclude your prefiled direct testimony?

23  
24 **A.** Yes, it does.  
25

PEOPLES GAS SYSTEM  
SCHEDULES SUPPORTING  
ENERGY CONSERVATION COST RECOVERY CLAUSE  
PROJECTION FILING FOR  
January 2014 - December 2014

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 2014 Through December 2014

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	11,382,764
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	2,645,638
3. TOTAL (LINE 1 AND LINE 2)	14,028,402

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS & RS-SG	3,773,316	68,740,920	58,863,730	18,410,193	77,273,923	5,876,234	7.60442%	0.08548	1.00503	0.08591
SGS	129,048	7,695,000	3,226,200	2,608,143	5,834,343	443,668	7.60442%	0.05766	1.00503	0.05795
GS-1 & CS-SG	198,900	79,188,252	6,961,500	21,222,452	28,183,952	2,143,226	7.60442%	0.02706	1.00503	0.02720
GS-2	81,180	129,526,000	4,059,000	29,461,984	33,520,984	2,549,076	7.60442%	0.01968	1.00503	0.01978
GS-3	10,344	87,403,000	1,551,600	17,192,170	18,743,770	1,425,355	7.60442%	0.01631	1.00503	0.01639
GS-4	1,788	51,996,000	447,000	7,911,191.00	8,358,191	635,592	7.60442%	0.01222	1.00503	0.01229
GS-5	1,680	105,000,000	504,000	11,887,050	12,391,050	942,268	7.60442%	0.00897	1.00503	0.00902
NGVS	168	153,000	7,560	28,140	35,700	2,715	7.60442%	0.01774	1.00503	0.01783
CSLS	564	716,000	0	135,030	135,030	10,268	7.60442%	0.01434	1.00503	0.01441
TOTAL	4,196,988	530,418,172	75,620,590	108,856,353	184,476,943	14,028,402				

10



ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
January 2014 Through December 2014

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	220,788	220,788	220,788	220,788	220,788	220,788	220,788	220,788	220,788	220,788	220,788	220,788	\$2,649,458
2 RESIDENTIAL APPLIANCE RETENTION	416,427	416,427	416,427	416,427	416,427	416,427	416,427	416,427	416,427	416,427	416,427	416,427	\$4,997,126
3 RESIDENTIAL APPLIANCE REPLACEMENT	95,355	95,355	95,355	95,355	95,355	95,355	95,355	95,355	95,355	95,355	95,355	95,355	\$1,144,260
4 COMMERCIAL ELECTRIC REPLACEMENT	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670	\$140,040
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	139,443	139,443	139,443	139,443	139,443	139,443	139,443	139,443	139,443	139,443	139,443	139,443	\$1,673,310
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	110	110	110	110	110	110	110	110	110	110	110	110	\$1,320
10 CONSERVATION DEMONSTRATION DEVELOPMENT	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	14,583	\$175,000
11 COM NEW CONSTRUCTION (PENDING APPROVAL)	16,896	16,896	16,896	16,896	16,896	16,896	16,896	16,896	16,896	16,896	16,896	16,896	\$202,751
12 COM APPLIANCE RETENTION (PENDING APPROVAL)	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	20,179	\$242,153
13 COM APPLIANCE REPLACEMENT (PENDING APPROVAL)	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946	\$107,346
<b>TOTAL ALL PROGRAMS</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$948,564</b>	<b>\$11,382,764</b>

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2014 Through December 2014

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	2,649,458	0	0	0	\$2,649,458
2 RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	4,997,126	0	0	0	\$4,997,126
3 RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	1,444,260	0	0	0	\$1,144,260
4 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	140,040	0	0	0	\$140,040
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	334,710	5,000	1,278,600	0	55,000	0	0	\$1,673,310
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	0	0	0	0	1,320	0	0	0	\$1,320
10 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	175,000	0	0	0	\$175,000
11 COM NEW CONSTRUCTION (PENDING APPROVAL)	0	0	0	0	202,751	0	0	0	\$202,751
12 COM APPLIANCE RETENTION (PENDING APPROVAL)	0	0	0	0	242,153	0	0	0	\$242,153
13 COM APPLIANCE REPLACEMENT (PENDING APPROVAL)	0	0	0	0	107,346	0	0	0	\$107,346
PROGRAM COSTS	\$0	\$334,710	\$5,000	\$1,278,600	\$10,009,454	\$55,000	\$0	\$0	\$11,382,764

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2013 Through December 2013  
8 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	1,706,450	0	0	0	1,706,450
B. ESTIMATED	0	0	0	0	853,225	0	0	0	853,225
C. TOTAL	0	0	0	0	2,559,675	0	0	0	2,559,675
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	3,014,412	0	0	0	3,014,412
B. ESTIMATED	0	0	0	0	1,507,206	0	0	0	1,507,206
C. TOTAL	0	0	0	0	4,521,618	0	0	0	4,521,618
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	744,611	0	0	0	744,611
B. ESTIMATED	0	0	0	0	372,306	0	0	0	372,306
C. TOTAL	0	0	0	0	1,116,917	0	0	0	1,116,917
4 COMMERCIAL ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	52,997	0	0	0	52,997
B. ESTIMATED	0	0	0	0	26,499	0	0	0	26,499
C. TOTAL	0	0	0	0	79,496	0	0	0	79,496
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	\$8,277,705	\$0	\$0	\$0	\$8,277,705

13

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2013 Through December 2013  
8 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	8,277,705	0	0	0	8,277,705
7. COMMON COSTS									
A. ACTUAL	0	209,977	1,317	632,253	0	12,003	0	36,654	892,205
B. ESTIMATED	0	104,988	700	609,750	0	50,000	0	0	765,438
C. TOTAL	0	314,965	2,017	1,242,003	0	62,003	0	36,654	1,657,643
8. MONITORING AND RESEARCH									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	6,000	0	0	0	6,000
C. TOTAL	0	0	0	0	6,000	0	0	0	6,000
9. OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	330	0	0	0	330
C. TOTAL	0	0	0	0	660	0	0	0	660
10. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	0	0	0	0	14,513	0	0	0	14,513
B. ESTIMATED	0	0	0	0	100,000	0	0	0	100,000
C. TOTAL	0	0	0	0	114,513	0	0	0	114,513
11. N/A									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	\$0	\$314,965	\$2,017	\$1,242,003	\$8,398,878	\$62,003	\$0	\$36,654	\$10,056,521

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CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
January 2013 Through December 2013  
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	361,300	172,600	109,550	189,500	175,150	193,000	275,200	230,150	213,306	213,306	213,306	213,306	\$2,559,675
RESIDENTIAL APPLIANCE RETENTION	462,762	329,605	502,495	412,945	372,289	314,247	349,606	270,463	376,802	376,802	376,802	376,802	\$4,521,618
RESIDENTIAL APPLIANCE REPLACEMENT	92,256	130,015	90,458	77,530	81,890	96,840	98,772	76,850	93,076	93,076	93,076	93,076	\$1,116,917
COMMERCIAL ELECTRIC REPLACEMENT	5,280	5,580	480	10,760	11,827	6,096	1,510	11,464	6,625	6,625	6,625	6,625	\$79,496
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	114,335	110,352	87,508	61,806	204,802	76,831	94,273	142,298	191,360	191,360	191,360	191,360	\$1,657,643
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	2,000	2,000	2,000	\$6,000
OIL HEAT REPLACEMENT	0	0	330	0	0	0	0	0	0	0	0	330	\$660
CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	14,513	0	0	0	25,000	25,000	25,000	25,000	\$114,513
<b>TOTAL ALL PROGRAMS</b>	<b>\$1,035,933</b>	<b>\$748,152</b>	<b>\$790,821</b>	<b>\$752,541</b>	<b>\$860,471</b>	<b>\$687,014</b>	<b>\$819,361</b>	<b>\$731,225</b>	<b>\$906,168</b>	<b>\$908,168</b>	<b>\$908,168</b>	<b>\$908,498</b>	<b>\$10,056,521</b>

ENERGY CONSERVATION ADJUSTMENT  
January 2013 Through December 2013

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.	-1,016,864	-921,935	-1,014,024	-971,100	-705,492	-640,305	-619,476	-572,485	-572,485	-572,485	-572,485	-572,485	-8,751,621
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	-1,016,864	-921,935	-1,014,024	-971,100	-705,492	-640,305	-619,476	-572,485	-572,485	-572,485	-572,485	-572,485	-8,751,621
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	111,605	111,605	111,605	111,605	111,605	111,605	111,605	111,605	111,605	111,605	111,605	111,605	1,339,254
CONSERVATION REVS. APPLIC. TO PERIOD	-905,260	-810,331	-902,420	-859,496	-593,888	-528,701	-507,872	-460,881	-460,881	-460,881	-460,881	-460,881	-7,412,367
CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,035,933	748,152	790,821	752,541	860,471	687,014	819,361	731,225	906,168	908,168	908,168	908,498	10,056,521
TRUE-UP THIS PERIOD	130,674	-62,179	-111,598	-106,954	266,584	158,314	311,489	270,345	445,288	447,288	447,288	447,618	2,644,154
INTEREST THIS PERIOD (C-3, PAGE 5)	79	101	80	57	51	50	48	97	172	211	250	289	1,484
TRUE-UP & INT. BEG. OF MONTH	1,339,254	1,358,402	1,184,719	961,596	743,094	898,125	944,884	1,144,817	1,303,654	1,637,509	1,973,402	2,309,336	2,645,638
PRIOR TRUE-UP COLLECT. (REFUND.)	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-111,605	-1,339,254
END OF PERIOD TOTAL NET TRUE-UP	1,358,402	1,184,719	961,596	743,094	898,125	944,884	1,144,817	1,303,654	1,637,509	1,973,402	2,309,336	2,645,638	2,645,638

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
January 2013 Through December 2013

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	1,339,254	1,358,402	1,184,719	961,596	743,094	898,125	944,884	1,144,817	1,303,654	1,637,509	1,973,402	2,309,336	2,645,638
END. T-UP BEFORE INT.	1,358,323	1,184,618	961,516	743,038	898,074	944,834	1,144,769	1,303,557	1,637,337	1,973,192	2,309,086	2,645,349	3,950,538
TOT. BEG. & END. T-UP	2,697,577	2,543,020	2,146,235	1,704,634	1,641,168	1,842,959	2,089,653	2,448,373	2,940,991	3,610,700	4,282,488	4,954,685	6,596,176
AVERAGE TRUE-UP	1,348,789	1,271,510	1,073,117	852,317	820,584	921,480	1,044,826	1,224,187	1,470,495	1,805,350	2,141,244	2,477,342	3,298,088
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.0500%	0.0900%	0.1000%	0.0800%	0.0800%	0.0700%	0.0600%	0.0500%	0.1400%	0.1400%	0.1400%	0.1400%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.0900%	0.1000%	0.0800%	0.0800%	0.0700%	0.0600%	0.0500%	0.1400%	0.1400%	0.1400%	0.1400%	0.1400%	
TOTAL	0.1400%	0.1900%	0.1800%	0.1600%	0.1500%	0.1300%	0.1100%	0.1900%	0.2800%	0.2800%	0.2800%	0.2800%	
AVG INTEREST RATE	0.0700%	0.0950%	0.0900%	0.0800%	0.0750%	0.0650%	0.0550%	0.0950%	0.1400%	0.1400%	0.1400%	0.1400%	
MONTHLY AVG. RATE	0.0058%	0.0079%	0.0075%	0.0067%	0.0063%	0.0054%	0.0046%	0.0079%	0.0117%	0.0117%	0.0117%	0.0117%	
INTEREST PROVISION	\$79	\$101	\$80	\$57	\$51	\$50	\$48	\$97	\$172	\$211	\$250	\$289	\$1,484

**Peoples Gas System**

**Reporting:** January 2013 Through December 2013

**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.

<b>Program Allowances:</b>	Gas Water Heater . . . . .	\$350.00
	Gas Heating . . . . .	\$350.00
	Gas Tankless Water Heater . . . . .	\$450.00
	Gas Cooking . . . . .	\$100.00
	Gas Dryer . . . . .	\$100.00

<b>Program Goals:</b>	Projected new home connections for this period:	<b>3,200</b>
	Actual connections to date this period:	<b>2,133</b>
	Percent of goal:	<b>66.7%</b>
	8 Months of Actuals	

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$2,559,675</b>
	Actual to date:	<b>\$1,706,450</b>

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**Peoples Gas System**

**Reporting:** January 2013 Through December 2013

**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 customers to assist in defraying the cost of more expensive energy efficient appliances.

<b>Program Allowances:</b>	Gas Water Heater . . . . .	\$350.00
	Gas Heating . . . . .	\$350.00
	Gas Tankless Water Heater . . . . .	\$450.00
	Gas Cooking . . . . .	\$100.00
	Gas Dryer . . . . .	\$100.00

<b>Program Goals:</b>	Projected connections for this period:	<b>11,304</b>
	Actual connections to date this period:	<b>7,536</b>
	Percent of goal:	<b>66.7%</b>
	8 Months of Actuals	

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$4,521,618</b>
	Actual to date:	<b>\$3,014,412</b>

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**Peoples Gas System**

**Reporting:** January 2013 Through December 2013

**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.

<b>Program Allowances:</b>	Natural Gas Water Heater . . . . .	\$525.00
	Natural Gas Heating . . . . .	\$625.00
	Natural Gas Tankless Water Heater . . . . .	\$525.00
	Natural Gas Range . . . . .	\$100.00
	Natural Gas Dryer . . . . .	\$100.00
	Natural Gas Space Heater . . . . .	\$65.00

<b>Program Goals:</b>	Projected connections for this period:	<b>2,127</b>
	Actual connections to date this period:	<b>1,418</b>
	Percent of goal:	<b>66.7%</b>
	8 Months of Actuals	

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$1,116,917</b>
	Actual to date:	<b>\$744,611</b>

**Peoples Gas System**

**Reporting:** January 2013 Through December 2013

**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.

<b>Program Allowances:</b>	For every kW Displaced .....	\$40.00
<b>Program Goals:</b>	Projected kW Displaced this period:	<b>1,987</b>
	Actual kW Displaced this period	<b>1,325</b>
	Percent of goal:	<b>67%</b>
<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$79,496</b>
	Actual to date:	<b>\$52,997</b>

### Peoples Gas System

Reporting: January 2013 Through December 2013

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

### Peoples Gas System

Reporting: January 2013 Through December 2013

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:	150
	Percent of goal: 8 Months of Actuals	100%

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

Peoples Gas System

Reporting: January 2013 Through December 2013

Name: COMMON COSTS

Program Fiscal Expenditures:

Estimated for period:	\$1,657,643
Actual to date:	\$892,205
Percent of goal:	53.8%
8 Months of Actuals	

**Peoples Gas System**

**Reporting:** January 2013 Through December 2013

**Name:** OIL HEAT REPLACEMENT

**Description:** This program is designed to encourage customers to convert their existing oil heating system to more energy efficient natural gas heating. Peoples' offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

**Program Allowance:** Energy Efficient Gas Furnaces . . . . . \$330.00

**Program Goals:** Projected new connections for this period: **2**  
 Actual connections to date this period: **1**  
 Percent of goal: **50.0%**  
 8 Months of Actuals

**Program Fiscal Expenditures:** Estimated for period: **\$660**  
 Actual to date: **\$330**

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### Peoples Gas System

Reporting: January 2013 Through December 2013

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:	\$100,000
	Actual to date:	\$14,513