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January 22, 1996

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: Docket No. 960002-EG; West Florida Natural Gas Company

Dear Ms. Bayo:

Enclosed for filing on behalf of West Florida Natural Gas Company in connection with the hearing scheduled to begin February 21, 1996 in this docket are an original and 15 copies of the following:

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_

1) Petition for Approval of West Florida Natural Gas Company's Proposed Conservation Cost Recovery Charges; 00752-96

2) Direct Testimony of Cindy Arnold; Tom Goodwin, and Ron Sott; 00754-96

3) Schedules C-1, C-2, C-3, and C-5; 00753-96

OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC \_\_\_\_\_  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Very truly yours,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

RECEIVED & FILED

NHH/amb

Enclosures

cc: Parties of Record  
Ms. Cindy Arnold  
Mr. J. E. McIntyre

1  
2  
3  
4  
5  
6

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960002-EG

DIRECT TESTIMONY OF

CINDY ARNOLD

ON BEHALF OF WEST FLORIDA NATURAL GAS COMPANY

7 Q. Please state your name, address and employment  
8 position.

9 A. My name is Cindy Arnold. My business address is  
10 301 Maple Avenue, Panama City, Florida. I am  
11 employed as the conservation accountant for West  
12 Florida Natural Gas Company.

13 Q. What is the purpose of your testimony?

14 A. My testimony supports the Schedules C-1, C-2, C-3,  
15 and C-5, which I prepared, and the calculation of  
16 the conservation cost recovery factor to be applied  
17 to customer bills during the period of April 1,  
18 1996 through March 31, 1997. The "C" Schedules  
19 filed with the Commission consist of Schedules C-1,  
20 C-2, C-3 and C-5 (composite pre-hearing  
21 identification number CA-2). The Schedules reflect  
22 assumptions concerning projected levels of program  
23 activity developed by Ronald C. Sott, who is  
24 Director, New Market Development and who maintains  
25 close contact with our customers. Tom Goodwin,

1 Coordinator - Gas Management, has also submitted  
2 direct testimony in this docket to support  
3 projected therm sales data.

4 Q. What is the total amount of program costs which the  
5 Company expects to incur during the period October  
6 1996 through March 1997?

7 A. That amount, which appears on Schedule C-2, page 1  
8 of 3, is \$458,600.00.

9 Q. What is the amount of the estimated true-up for the  
10 current period?

11 A. The Company expects to underrecover \$325,315.00  
12 including interest. This amount appears on  
13 Schedule C-3, page 4 of 5.

14 Q. What is the total amount to be recovered during the  
15 period April 1996 through March 1997, and what is  
16 the proposed cost recovery factor related to that  
17 amount?

18 A. Based upon total incremental cost of \$458,600.00  
19 and a true-up of \$325,315.00 underrecovery, the  
20 total amount to be recovered during April 1996  
21 through March 1997 is \$783,915.00. This amount is  
22 allocated to the different customer classes in the  
23 same proportion as they contribute to base rate  
24 revenues. The amount attributed to each class is  
25 then divided by the projected therm sales for that

1 class. This calculation results in a conservation  
2 recovery factor for residential customers of 4.960 cents  
3 per therm; for commercial customers of 1.676 cents per  
4 therm; for commercial large and transportation commercial  
5 large customers of 1.255; for industrial customers and  
6 transportation customers of 0.287 cents per therm, as  
7 adjusted for taxes.

8 Q. Does that complete your testimony?

9 A. Yes.



COMPANY: WEST FLORIDA NATURAL GAS COMPANY

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
APRIL 1996 THROUGH MARCH 1997

PROJECTED PERIOD: OCTOBER 1996 THROUGH MARCH 1997  
ACTUAL/ESTIMATED PERIOD: OCTOBER 1995 THROUGH SEPTEMBER 1996  
FINAL TRUE-UP PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
COLLECTION PERIOD FOR PRIOR TRUE-UP: APRIL 1996 THROUGH MARCH 1997

1. INCREMENTAL COSTS (SCHEDULE C-2)	458,800
2. TRUE-UP (SCHEDULE C-3)	325,315
3. TOTAL	783,915

RATE CLASS	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	EST ECCR REVENUE	ECCR REV AS % OF TOTAL	CENTS PER THERM	REVENUE TAX	ECCR ADJ FOR TAXES	ROUNDED TO NEAREST .001 CENTS/THERM
RESIDENTIAL	314,752	9,657,491	2,203,264	3,141,099	5,344,363	477,186	8.93%	0.04941	1.00376	0.04960	4.960
COMMERCIAL	28,045	11,221,543	260,450	1,837,864	2,098,314	187,354	8.93%	0.01870	1.00376	0.01876	1.876
COMMERCIAL LG VOL	103	3,918,512	5,150	542,322	547,472	48,883	8.93%	0.01250	1.00376	0.01255	1.255
COMM LG VOL TRANSP	84	1,993,200	4,200	275,859	280,059	25,006	8.93%	0.01250	1.00376	0.01255	1.255
INDUSTRIAL	52	1,555,328	5,200	75,853	81,053	7,237	8.93%	0.00286	1.00376	0.00287	0.287
FIRM TRANSPORTATION	60	7,854,700	8,000	383,074	389,074	34,740	8.93%	0.00286	1.00376	0.00287	0.287
SPECIAL CONTRACT	12	6,511,200	39,312	0	39,312	3,510	8.93%	0.00286	1.00376	0.00287	0.287
<b>TOTAL</b>	<b>341,108</b>	<b>42,711,972</b>	<b>2,523,576</b>	<b>6,256,071</b>	<b>8,779,647</b>	<b>783,915</b>					

COMPANY: WEST FLORIDA NATURAL GAS COMPANY

PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
FOR PERIOD: OCTOBER 1996 THROUGH MARCH 1997

PROGRAM NAME

	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	TOTAL
1. ELECTRIC REPLACEMENT	29,890	29,890	29,890	29,890	29,890	29,890	179,340
2. HOME BUILDER PRGM	30,008	30,008	30,008	30,008	30,008	30,008	180,047
3. ESP PROGRAM	1,819	1,819	1,819	1,819	1,819	1,819	10,916
4. LEGAL & PROFESSIONAL	417	417	417	417	417	417	2,500
5. WATER HEATER RETENT	5,661	5,661	5,661	5,661	5,661	5,661	33,967
6. SPACE CONDITIONING	4,381	4,381	4,280	4,280	4,280	4,280	25,882
7. COMM RESISTANCE	4,324	4,324	4,324	4,324	4,324	4,324	25,947
8. (INSERT NAME)	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>76,500</b>	<b>76,500</b>	<b>76,400</b>	<b>76,400</b>	<b>76,400</b>	<b>76,400</b>	<b>458,600</b>
<b>LESS: AMOUNT IN RATE BASE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>76,500</b>	<b>76,500</b>	<b>76,400</b>	<b>76,400</b>	<b>76,400</b>	<b>76,400</b>	<b>458,600</b>

COMPANY: WEST FLORIDA NATURAL GAS COMPANY

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1996 THROUGH MARCH 1997

PROGRAM NAME

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. ELECTRIC REPLACEMENT	0	13,113	0	25,853	140,375	0	0	0	179,340
2. HOME BUILDER PRGM	0	21,474	0	14,213	144,360	0	0	0	180,047
3. ESP PROGRAM	0	755	0	3,108	7,054	0	0	0	10,916
4. LEGAL & PROFESSIONAL	0	0	0	0	0	2,500	0	0	2,500
5. WATER HEATER RETENT	0	5,233	0	3,485	25,250	0	0	0	33,968
6. SPACE CONDITIONING	0	3,529	0	5,153	17,000	0	0	0	25,681
7. COMM RESISTANCE	0	2,915	0	6,383	16,650	0	0	0	25,947
8. (INSERT NAME)	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>0</b>	<b>47,017</b>	<b>0</b>	<b>58,193</b>	<b>350,689</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>458,398</b>
<b>LESS: AMOUNT IN RATE BASE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RECOVERABLE CONSER.</b>	<b>0</b>	<b>47,017</b>	<b>0</b>	<b>58,193</b>	<b>350,689</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>458,398</b>

Estimated Capital Investment Analysis  
October 1996 through March 1997

NOT APPLICABLE



COMPANY: WEST FLORIDA NATURAL GAS COMPANY

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
OCTOBER 1995 THROUGH SEPTEMBER 1996  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. ELECTRIC REPLACEMENT									
A. ACTUAL	0	1,845	0	13,210	16,400	0	0	0	31,455
B. ESTIMATED	0	27,541	0	37,032	292,350	0	0	0	356,923
C. TOTAL	0	29,386	0	50,243	308,750	0	0	0	388,378
2. HOME BUILDER PRGM									
A. ACTUAL	0	2,890	0	1,842	17,350	0	0	0	22,083
B. ESTIMATED	0	34,168	0	26,405	229,726	0	0	0	290,298
C. TOTAL	0	37,058	0	28,248	247,075	0	0	0	312,381
3. ESP PROGRAM									
A. ACTUAL	0	377	0	3,148	3,150	0	0	0	6,675
B. ESTIMATED	0	1,958	0	2,975	18,529	0	0	0	23,481
C. TOTAL	0	2,335	0	6,122	21,679	0	0	0	30,136
4. LEGAL & PROFESSIONAL									
A. ACTUAL	0	0	0	0	0	93	0	0	93
B. ESTIMATED	0	0	0	0	0	4,907	0	0	4,907
C. TOTAL	0	0	0	0	0	5,000	0	0	5,000
5. WATER HEATER RETENT									
A. ACTUAL	0	1,573	0	2,587	7,400	0	0	0	11,539
B. ESTIMATED	0	8,019	0	4,301	43,800	0	0	0	56,921
C. TOTAL	0	10,592	0	6,888	51,000	0	0	0	68,460
6. SPACE CONDITIONING									
A. ACTUAL	0	4	0	1,038	0	0	0	0	1,041
B. ESTIMATED	0	7,287	0	8,978	35,000	0	0	0	51,265
C. TOTAL	0	7,290	0	10,015	35,000	0	0	0	52,306
7. COMM RESISTANCE									
A. ACTUAL	0	777	0	6,314	4,500	0	0	0	11,590
B. ESTIMATED	0	3,739	0	6,264	21,150	0	0	0	31,154
C. TOTAL	0	4,516	0	12,578	25,650	0	0	0	42,744
TOTAL ALL PROGRAMS	0	91,177	0	114,073	689,154	5,000	0	0	899,404

Estimated Capital Investment Analysis  
October 1995 through September 1996

NOT APPLICABLE

COMPANY: WEST FLORIDA NATURAL GAS COMPANY

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
PERIOD: OCTOBER 1995 THROUGH SEPTEMBER 1996  
TWO MONTHS ACTUAL AND TEN MONTHS PROJECTED

DESCRIPTION	ACTUAL		ESTIMATED										GRAND TOTAL	
	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12		
1. ELECTRIC REPLACEMENT	15,929	15,528	35,892	35,892	35,892	35,892	35,892	35,892	35,892	35,892	35,892	35,892	35,892	388,378
2. HOME BUILDER PRGM	10,858	11,428	29,030	29,030	29,030	29,030	29,030	29,030	29,030	29,030	29,030	29,030	29,030	312,382
3. ESP PROGRAM	2,323	4,352	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	30,138
4. LEGAL & PROFESSIONAL	0	93	491	491	491	491	491	491	491	491	491	491	491	5,000
5. WATER HEATER RETENT	4,598	6,941	5,892	5,892	5,892	5,892	5,892	5,892	5,892	5,892	5,892	5,892	5,892	68,460
6. SPACE CONDITIONING	1,039	2	5,128	5,128	5,128	5,128	5,128	5,128	5,128	5,128	5,128	5,128	5,128	52,305
7. COMM RESISTANCE	341	11,249	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	42,744
8. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	34,867	48,589	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	899,405
LESS:														
BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RECOVERABLE	34,867	48,589	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	81,483	899,405

WEST FLORIDA NATURAL GAS COMPANY  
 10/21/95  
 11:15 AM  
 10/21/95

COMPANY: WEST FLORIDA NATURAL GAS COMPANY

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT

FOR PERIOD: OCTOBER 1995 THROUGH SEPTEMBER 1996  
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

CONSERVATION REVS	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2. CONSERV. REVS. (NET OF REVENUE TAX)	(25,055)	(46,755)	(77,969)	(95,057)	(88,829)	(73,945)	0	0	0	0	0	0	(407,609)
3. TRANSPORTATION REV	(3,725)	(3,633)	(2,306)	(2,361)	(2,022)	(2,305)	0	0	0	0	0	0	(16,350)
4. TOTAL REVENUES	(28,780)	(50,388)	(80,273)	(97,417)	(90,851)	(76,250)	0	0	0	0	0	0	(423,959)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(24,662)	(24,662)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(147,969)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(53,442)	(75,049)	(90,138)	(107,282)	(100,715)	(86,114)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(9,865)	(571,928)
7. CONSERV. EXPS.	34,887	49,589	81,493	81,493	81,493	81,493	81,493	81,493	81,493	81,493	81,492	81,483	899,405
8. TRUE-UP THIS PERIOD	(18,555)	(25,460)	(8,645)	(25,789)	(19,222)	(4,621)	71,628	71,628	71,628	71,628	71,628	71,629	327,478
9. INTER. PROVISION THIS PERIOD	(709)	(692)	(694)	(734)	(798)	(812)	(606)	(214)	179	575	972	1,371	(2,163)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(147,969)	(142,572)	(144,062)	(143,537)	(160,194)	(170,350)	(165,919)	(85,032)	(3,754)	77,919	159,986	242,450	(147,969)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	24,662	24,662	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	9,865	147,969
12. TOTAL NET TRUE-UP	(142,572)	(144,062)	(143,537)	(160,194)	(170,350)	(165,919)	(85,032)	(3,754)	77,919	159,986	242,450	325,315	325,315



COMPANY: WEST FLORIDA NATURAL GAS COMPANY

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD: OCTOBER 1995 THROUGH SEPTEMBER 1996

TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	(147,969)	(142,572)	(144,062)	(143,537)	(160,194)	(170,350)	(165,919)	(85,032)	(3,754)	77,919	159,986	242,450	
2. ENDING TRUE-UP BEFORE INTEREST	(141,862)	(143,370)	(142,843)	(159,461)	(169,552)	(165,107)	(84,426)	(3,539)	77,739	159,412	241,479	323,944	
3. TOTAL BEGINNING & ENDING TRUE-UP	(289,831)	(285,942)	(286,905)	(302,997)	(329,747)	(335,457)	(250,345)	(88,571)	73,986	237,330	401,465	566,394	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(144,916)	(142,971)	(143,452)	(151,499)	(164,873)	(167,729)	(125,172)	(44,286)	36,993	118,665	200,732	283,197	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	5.94%	5.81%	5.80%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	5.81%	5.80%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	
7. TOTAL (SUM LINES 5 & 6)	11.75%	11.61%	11.61%	11.62%	11.62%	11.62%	11.62%	11.62%	11.62%	11.62%	11.62%	11.62%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	5.88%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	
9. MONTHLY AVG INTEREST RATE	0.49%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	
10. INTEREST PROVISION	(709)	(692)	(694)	(734)	(798)	(812)	(606)	(214)	179	575	972	1,371	

On September 17, 1984, West Florida Natural Gas Company filed a Petition with the Florida Public Service Commission to enter the Conservation Program. The Company entered the program on November 8, 1984. On May 15, the Commission approved modifications to this program which the Company implemented on July 1, 1991.

Program Name:

Electric Resistance Appliance and Oil Heating Replacement Program

Program Description:

This program will promote the replacement of all electric appliances: water heaters, space heaters and central heaters, ranges and dryers where it is cost effective to do so. The second phase of this program offers an installation allowance to assist in defraying the cost of replacing an oil central heater.

The installation allowances are:

WATER HEATER.....	\$ 250.00
CENTRAL HEATER.....	\$ 500.00
RANGE.....	\$ 150.00
DRYER.....	\$ 150.00
SPACE HEATERS	
<50,000 BTU.....	\$ 150.00
>50,000 BTU.....	\$ 300.00

The objective will be met through the following method: Offer customers an incentive allowance to assist in defraying the additional cost of gas piping and appliance venting required for the conversion.

Program Projections:

We are projecting 530 electric and oil appliances will be replaced with natural gas appliances during the period October 1996 through March 1997.

During the period October 1995 through September 1996 we anticipate replacing 1,160 electric and oil appliances with natural gas appliances.

Program Name:

Residential Home Builders Program.

Program Description:

This program is designed to increase the use of efficient natural gas in the residential sector by encouraging home builders to install energy efficient natural gas appliances in new residences in lieu of electrical appliances. This will conserve energy, as well as lower the ratepayer's total annual energy costs.

It has been determined by a cross section of builders in West Florida Natural Gas Company's service area that the additional cost of installing gas appliances instead of electric is between \$500.00 and \$700.00. These extra costs involve gas piping, appliance connection, combustion air provisions, and appliance venting. The allowances proposed for this program will help defray the additional costs for installing natural gas appliances, thus making these appliances more attractive and competitive to home builders.

The allowances are as follows:

WATER HEATER.....	\$ 150.00
CENTRAL HEATER.....	\$ 250.00
RANGE.....	\$ 100.00
DRYER.....	\$ 100.00

The installation of gas appliances increases construction cost without a significant offsetting decrease in electrical wiring cost.

Program Projections:

The Company projects that 380 new single and multi-family residences will each be built with natural gas central heaters and water heaters during the period October 1996 through March 1997. We estimate that 218 gas ranges and 200 dryers will also be installed in those residences.

During the period October 1995 through September 1996 we expect 618 new single and multi-family residences each to be constructed with natural gas central heaters and water heaters, with 298 ranges and 240 dryers.

Program Name:

Gas Appliance Energy Savings Payback Program

Program Description:

This program has been designed to replace standard gas appliances with energy efficient natural gas appliances and will focus on water heaters, central heaters, ranges and dryers. Installation allowances are added to the program to encourage customers to install the more expensive energy efficient natural gas appliances rather than the standard natural gas appliances or electric appliances.

We estimate that the customers who will take advantage of this program will install energy efficient gas appliances instead of electric counterparts or standard gas appliances. The KW & KWH deferred and/or the them saved will cause the program to be cost effective.



The installation allowances are:

WATER HEATER.....	\$ 50.00
CENTRAL HEATER.....	\$ 50.00
RANGE.....	\$ 50.00
DRYER.....	\$ 50.00

Program Projections:

We estimate that 314 energy efficient natural gas appliances will be installed replacing standard natural gas appliances or electric appliances during the period October 1996 through March 1997 and 607 during the period October 1995 through September 1996.

Program Name:

Gas Water Heater Load Retention Program

Program Description:

This program is designed to urge the continued use of natural gas water heaters, effectively reducing conversions from natural gas to electricity. Past tendencies, often under emergency situations, have been to make a quick fix by replacing an existing natural gas water heater with an electric model because of lower initial costs and easier installation. This program promotes the efficiencies of natural gas and supports the conservation of petroleum fuels, KW consumption and KW demand.

The installation allowances are:

WATER HEATER.....	\$ 100.00
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The objective will be met through the following method: Offer customers an incentive allowance to assist them in defraying the additional initial costs and more complicated installation of natural gas water heaters.

Program Projections:

We are projecting 253 water heaters will be retained during the period October 1996 through March 1997.

During the period October 1995 through September 1996 we anticipate 511 water heaters will be retained.

Program Name:

Gas Space Conditioning Allowance Program

Program Description:

This program is designed to convert customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment and to initially install gas space conditioning equipment instead of electric equipment.

The installation allowances are:



GAS SPACE CONDITIONING.....\$ 100.00 PER TON

The objective will be met through the following method: Offer customers an incentive allowance to help reduce generally higher initial costs of gas space conditioning equipment over equivalent electric space conditioners. This will also reduce summer as well as winter peak demand and contribute to the conservation of KWH consumption.

Program Projections:

We are projecting 250 customers to install space conditioning equipment during the period October 1996 through March 1997.

During the period October 1995 through September 1996 we anticipate installation of space conditioning equipment with a total of 425 tons.

Program Name:

Commercial Electric Resistance Appliance Replacement Program

Program Description:

This program is designed to promote the use of natural gas to high priority customers. It is aimed at the conversion of non-residential customers from electric resistance appliances to efficient natural gas appliances. This program applies to all energy efficient commercial gas appliances including, but not limited to, water heaters and boilers, central heating furnaces, fryers and other cooking equipment. These conversions will effectively reduce KWH and KWD within our service area, as well as reduce the escalating rates of electric consumption.

The installation allowances are:

\$30.00 per KWD

$$\frac{\text{no. of watts input (min. 6000)}}{1,000} = \text{KWD} \times \$30.00 = \text{allowance}$$

The objective will be met through the following method: Offer customers an incentive allowance to assist in defraying the additional cost associated with gas piping and venting required for the conversion and the cost of an energy efficient natural gas appliance.

Program Projections:

We are projecting that customers will replace units with a total of 555KWD during the period October 1996 through March 1997.

During the period October 1995 through September 1996 we anticipate customers will replace units totaling 855KWD.