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January 17, 1997

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Ms. Blanca Bayo, Director Division of Records and Reporting Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

> Jeff Householder Parties of Record

Re: Docket No. 970002-EG; West Florida Natural Gas Company

Dear Ms. Bayo:

Enclosed for filing on behalf of West Florida Natural Gas Company in connection with the hearings to begin February 19, 1997 in this docket are an original and 15 copies of the following:

		1.	Petition for Approval of West Florida Natural Gas Company's Proposed Conservation
	Cost F	Recover	ry Charges; - 00629-97 - 01/17/97
ACK	1	2.	Direct Testimony of William B. Gray, Tom Goodwin and Ron Sott; and Schedules C-1, C-2, C-3, and C-5. 00630-97
APP		3.	Schedules C-1, C-2, C-3, and C-5. 00630-97
CAF		Please	e indicate receipt of this document by stamping the enclosed extra copy of this letter.
CTR		Thank	x you for your assistance in this matter.
LEG			Sincerely, RECEIVED & FILED Carllan () Coden EPSC-BURED) OF RECERDS Norman H. Horton, Jr.
se I	NHH:	amb	EPSC BURED) OF M.C.CRDS
VAS	Enclo	Willia	am B. Gray Goodwin

BEFORE THE

	2		FLORIDA PUBLIC SERVICE COMMISSION	1.5	COP
	3		DOCKET NO. 970002-EG		
	4		DIRECT TESTIMONY OF		
	5		WILLIAM B. GRAY		
	6		ON BEHALF OF WEST FLORIDA NATURAL GAS COMPANY		
	7	Q.	Please state your name, address and employment		
	8		position.		
	9	A.	My name is William B. Gray, and my business address is		
	10		301 Maple Avenue, Panama City, Florida I am		
	11		employed as Director of Accounting 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 April 1,		
	18		1997 through March 31, 1998. The "C" Schedules		
ACK _	19		filed with the Commission consist of Schedules C-1,		
ofA _	20		C-2, C-3 and C-5 (composite pre-hearing		
C.L -	21		identification number CA-2). The Schedules reflect		
C'"/-	22		assumptions concerning projected levels of program		
E'S	23		actively developed by Ronald C. Sott, who is		
17.7 -	3t 034	20	Director, New Market Development and who maintains		
	25		close contact with our customers. Tom Goodwin,		
	-				

N S ____

JTH -

DOMENTAL WITHOUT 00630 JAN 175 FESC-RECORDS/REPORTING

	•	
. 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 April
6		1997 through March 1998?
7	A.	That amount, which appears on Schedule C-2, page 1
8		of 3, is \$508,714.00.
9	Q.	What is the amount of the estimated true-up for the
10		current period?
11	A.	The Company expects to underrecover \$276,807.00
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 1997 through March 1998, and what is
16		the proposed cost recovery factor related to that
17		amount?
18	A.	Based upon total incremental cost of \$508,714 00
19		and a true-up of \$276,807.00 underrecovery, the
20		total amount to be recovered during April 1997
21		through March 1998 is \$785,521.00. 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 4 742 cents
3		per therm, for commercial customers of 1 608 cents per
4		therm: for commercial large and transportation commercial
5		large customers of 1 204 cents per therm for industrial customer and
6		transportation customers of 0 285 cents per therm, as
7		adjusted for taxes
8	Q.	Does that complete your testimony?
9	Α.	Yes

COMPANY WEST FLORIDA NATURAL GAS

Exhibit WBG-1 Page 1 of 17

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

PROJECTED PERIOD
ACTUAL/ESTIMATED PERIOD
FINAL TRUE - UP PERIOD
COLLECTION PERIOD FOR PRIOR TRUE - UP

OCTOBER 1996 THROUGH MARCH 1997 OCTOBER 1996 THROUGH SEPTEMBER 1997 OCTOBER 1995 THROUGH SEPTEMBER 1996 APRIL 1995 THROUGH MARCH 1996

I INCREMENTAL COSTS (SCHEDULE C - 2)

508.714

2 TRUE - UP (SCHEDULE C - 3)

276,807

3 TOTAL

785,521

RATE	BILLS	THERM	CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
RESIDENTIAL	315,996	9,818,418	2.211,972	3,193,440	5,405,412	483,810	8 5805%	0.0472	1 00376	0 04742
COMMERCIAL	25,860	11,298,733	258,600	1,850,508	2,109,108	180,971	8.5805%	0 0180	1 00376	0 01606
COMMERCIAL LG VOL	96	438,000	4.800	60,619	65,419	5,813	8.5805%	0 0120	1.00376	0.01204
COMMERCIAL LG VOL TF	120	7,287,420	8,000	1,008,579	1,014,579	87,058	8.5805%	0.0120	1.00376	0.01204
INDUSTRIAL	84	677,100	8,400	33,022	41,422	3,554	8 5805%	0.0028	1.00376	9 90285
FIRM TRANSPORTATION	48	9,733,204	4,800	474,688	479,488	41,142	8.5805%	0.0028	1.00376	0.00285
SPECIAL CONTRACT	12	6,511,200	39,312	0	39,312	3,373	8.5805%	0.0028	1 00376	0 00285
Broth F	342.216	45,764,075	2,533,884	6,620,856	9,154,740	785,521				

SCHEDULE C - 2 PAGE 1 OF 3

COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG - 1 Page 2 of 17

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

PROGRAM NAME

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	
	NO 1	NO 2	NO 3	NO 4	NO 5	NO 6	TOTAL
1 ELECTRIC REPLACEMENT	27521	27521	27521	27521	27521	27522	185127
2 HOME BUILDER PRGM	32723	32723	32723	32723	32724	32724	198340
3 ESP PROGRAM	2620	2620	2620	2820	2620	2820	15720
4 LEGAL & PROFESSIONAL	416	416	417	417	417	417	2500
5 WATER HEATER RETENT	3348	3348	3348	3348	3349	3349	20090
6 SPACE CONDITIONING	12743	12743	12744	12744	12744	12744	78482
7 COMM RESISTANCE	5412	5412	5412	5413	5413	5413	32475
8 (NSERT NAME)	0	0	0	0	0	0	0
9 (NSERT NAME)	0	0	0	0	0	0	0
10 (NSERT NAME)	0	0	0	C	0	0	0
11 (NSERT NAME)	0	0	0	0	0	0	0
12 (NSERT NAME)	0	0	0	0	0	0	0
13 (NSERT NAME)	0	0	0	0	0	0	0
14 (NSERT NAME)	0	0	0	0	0	0	0
15 (NSERT NAME)	0	0	0	0	0	0	0
16 (NSERT NAME)	0	0	0	0	0	0	0
17 (NSERT NAME)	0	0	0	0	0	0	
IB (NSERT NAME)	0	0	0	0	0	0	0
19 (NSERT NAME)	0	0	0	0	0	0	
20 (NSERT NAME)	0	0	0	0	0	0	
TOTAL ALL PROGRAMS	84783	84783	84785	84788	84788	84789	508714
LESS AMOUNT IN RATE BASE	0	0	0	0	0	0	
RECOVERABLE CONSERVATION							
EXPENSES	84783	84783	84785	84788	84788	84789	508714

SCHEDULE C - 2 PAGE : OF 3

COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG-1 Page 3 of 17

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

PROGRAM NAME

PHOGRAM NAME									
	CAPITAL	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL
1 ELECTRIC REPLACEMENT	0	11225	0	27402	128500	0	0	0	
2 HOME BUILDER PRGM	0	22575	0	14840	159125	0	0		165127
3 ESP PROGRAM	0	1130	0	3290	11300	0	0	0	196340
4 LEGAL & PROFESSIONAL	0	0	0	0	0	2500	٥	0	15720
5 WATER HEATER RETENT	0	2750	0	3590	13750	0	0	0	2500 20090
6 SPACE CONDITIONING	0	16000	0	5482	55000	0	0		78462
7 COMM RESISTANCE	0	3700	0	6575	22200	0	0	0	32475
8 (NSERT NAME)	0	0	0	0	0	0	0	0	324/5
9 (NSERT NAME)	0	0	0	0	0	0	0	0	0
10 (NSERT NAME)	0	0	0	0	0	0	0	9	0
11 (NSERT NAME)	0	0	0	0	0	0	0	0	0
12 (NSERT NAME)	0	0	0	0	0	0	0		0
13 (NSERT NAME)	0	0	0	0	0	0	0	0	0
14 (NSERT NAME)	0	0	0	0		0	0	0	0
15 (NSERT NAME)	0	0	0	0	0	0	0	0	0
16 (NSERT NAME)	0	0	0	0	0	0			
17 (NSERT NAME)	0	0	0	0	0	0	0	0	0
18 (NSERT NAME)	0	0	0	0				0	0
19 (NSERT NAME)	0	0	0	0	0	0	0	0	0
20 (NSERT NAME)	0	0	0	0	0	0	0	0	0
									0
TOTAL ALL PROGRAMS	0	57380	0	60959	387875	2500	0	0	508714
LESS: AMOUNT IN RATE BASE	0	0	0	0	0	0	0		
								0	0
RECOVERABLE CONSER	0	57380	0	60959	387875	2500	0	0	508714

PAGE 3 OF 3

COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG - 1 Page 4 of 17

CONSERVATION PROGRAM COSTS - CAPITAL INVESTMENTS. DEPRECIATION, AND RETURN FOR MONTHS OCTOBER 1996 THROUGH MATCH 1997

BEGINNING OF PERIOD CUMULATIVE INVESTMENT LESS ACCUMULATED DEPRECIATION NET INVESTMENT

0

DESCRIPTION	MONTH NO 1	MONTH NO 2	MONTH NO 3	MONTH NO 4	MONTH NO 5	MONTH NO.6	TOTAL
INVESTMENT	0	0	0	0	0	U	0
DEPRECIATION BASE	0	0	0	0	0	0	0
DEPRECIATION EXPENSE	0	0	0	0	0	0	
CUMULATIVE INVEST	0	0	0	0	0	0	0
LESS: ACCUM DEPR	0	0	0	0	0	0	0
NET INVESTMENT	0	0	0	0	0	0	0
AVERAGE INVESTMENT	0	0	0	0	0	0	
RETURN ON AVG INVEST	0	0	0	0	0	0	0
RETURN REQUIREMENTS	0	0	0	0	0	0	0
TOTAL DEPR & RETURN	0	0	0	0	0	0	0

			The same of the same of				Page 5 of 17		
			FOR PERIOD TWO MONTHS	CFASERVATION PROGRAM COSTS BY COST CATEGORY FOR PERIOD OCTOBER 1990 THROUGH SEPTEMBER 1997 TWO MONTHS STRAFTED	S BY COST CATE(BROUGH SEPTEME MONTHS ESTEMAT	IORY ER 1997 ED			
	CAPITAL	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL
1 ELECTRIC REPLACEMENT A ACTUAL	•	4344	•	1	-	1.0			
B ESTIMATED	0	18708	0	40872	210833	0 0	0 0	00	19201
C TOTAL	0	21462	0	54270	235683	0	0	0	311414
2 HOME BULDER PRGM									
B ESTIMATED	0 0	17824	0 0	6359	40050	0	0	0	22808
C TOTAL	0	44072	0	30750	802002	0 0	0 0	0	327233
a ceo aboceasa				200	80 3000				380089
	0	585	0	1488	4550	0	0	c	
	0	1883	0	2462	18833	0	0	0	BUCUC
C TOTAL	0	2468	0	9973	23383	0	0	0	35829
4 LEGAL & PROFESSIONAL									
A ACTUAL	0	0	0	0	0	0	0	0	0
C TOTAL	0	0	0	0	0	4167	0	0	4167
	0	0	0	0	0	4167	0	0	4167
	0	1253	0	1191	0000	٥	0	0	PROPERTY
	0	4583	0	5063	71822	0	0	0	33483
200	0	5838	0	7894	28217	0	0	0	41947
8 SPACE CONDITIONING	9	100000000							
A ACTUAL	0	247	0	5034	3200	0	0	0	1999
	0	26967	0	9104	91687	0	0	0	127438
C 101/2	0	27314	0	14138	94867	0	0	0	136319
COMMINESISTANCE									
A ACTUAL	0	751	0	9020	4170	0	0	0	1000
B ESTIMATED	0	6167	0	10958	37000	0	0	0	54125
200	0	8018	0	15978	41170	0	0	0	64006
SI/B - TOTAL		108070	0	133016	728578	4167	0	0	073831

COMPANY WEST PLORIDA NATURAL GAS Exhibit WBG - 1 Paga 6 of 17

CONSERVATION PROGRAM COSTS BY COST CATEGORY FOR PERIOD OCTOBER 1998 THROUGH SEPTEMBER 1997 TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHIO, E	OTHER	TOTAL
BAL ANCE FROM									
PREVIOUS PAGE	0	108070	0	133018	728578	4167	0		97383
B (IP ERT NAME)									
A ACTUAL	0	0	0	0	0	0	0	0	
8 ESTIMATED	0	0	. 0	0	0	0	0	0	
C TOTAL	0	0	0	0	0	0	0	0	
9 (INSERT NAME)									
A ACTUAL	0	0	0	0	0	0		1000	
B ESTIMATED	0	0	0	0	0	0	0	0	
C TOTAL	0	0	0	0	0	0	0	0	
(INSERT NAME)	12								
A ACTUAL B ESTIMATED	0	0	0	0	0	0	0	0	
C TOTAL	0	0	0	0	0	0	0	0	
c rone	0	0	0	0	0	0	0	0	
II (INSERT NAME)									
A ACTUAL	0	0	0	0	0	0	0		
8 ESTIMATED	0	0	0	0	0	0	0	0	
C TOTAL	0	0	0	0	0	0	0	0	
12 (INSERT NAME)									
A ACTUAL	0	0	0	0	0	0	0	0	
B ESTIMATED	0	0	0	0	0	0	0		
C TOTAL	0	0	0	0	0	0	0	0	
3 (INSERT NAME)									
A ACTUAL	0	0	0	0	0	2			
B ESTIMATED	0	0	0	0		0	0	0	
C TOTAL	0	0	0	0	0	0	0	0	
							0	0	
SUB - TOTAL	0	108070	0	133016	728578	4107	0	0	97363

7421367							Exhibit WBG - 1	WEST R ORIGINATURAL GAS	-
			CONSERVATION FOR PERIOD TWO MONTHS A	CONSETIVATION PROGRAM COSTS BY COST CATEGORY FOR PERIOD OCTOBER 1998 INROLUCIAL SEPTEMBER 1997 INVOIMONTHS ACTUAL AND TEN MONTHS ESTIMATED	PS BY COST CATE MOUGH SEPTBAI WONTHS ESTIMA	GORY BER 1997 TED	2018		
	CAPTIAL	PAYROLL & BENEFTS	MATERIALS&	ADVERTISANG	INCENTIVES	OUTSIDE SERVICES	VEHICLE	ОТНЕЯ	1
BALANCE FROM FREVIOUS PAGE	0	108070	0	133016	728578	4167	0	0	1100
14 (HESERT NAME)									1
(INSERT NAME)	0	0	0	0	0	o	0		
B ESTIMATED	0 0	0 0	0 0	0 0	0 0	0 0	0	0	
15 (TMSERT NAME)		c	•						
8 ESTBMATED	0	0	0	0	0	0 0	0 6	0 0	
1014	0	0	0	0	0	0	0	0	4
1-8 (1945ERT NABAE)									
(INVSERT NAMME)	0	0	0	0	0	0	0		
B ESTMATED	0	0	0	0	0	0	0	0	
*****	0	0	0	0	0	0	0		1 4
17 (WSERT NAME)									
(INSERT NAME)	0	0	0	0	0	0	0	٥	
B ESTMATED	0	0	0	0	0	0	0	0	
***************************************	0	0	0	0	0	0	0	0	
10 (MESERT MADE)									
D Cethaaten	0 0	0 (0 (0	0	0	0		
1014			0 0	0	0	0	0	0	
*						D	0		
19 (INSERT NAME)	5.6	10	39						
B FSTBAATED	0 6	0 0	0 0	0 0	0 (0 (0		
C 101AL	0	0	0	0		0	0	0 0	
							1		4
20 (INSERT NAME)	0	0	0	0		0	c		
8 ESTMATED	٥	0	0	0	0	0	0 0		
C TOTAL	0	0	0	0	0	0	0	0	16
TOTAL PROG COSTS	0	108070	0	133016	728578	4167	0	0	
LESS BASE RATE									
RECOVERY	0	0	0	0	0	0	0	0	
MET PRIOG COSTS	c	108070	c	130014	17385 78	1			
				0.000	010071	4107	0	0	

SCHEDULE C - 3

COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG - 1 Page 8 of 17

CONSERVATION PROGRAM COSTS - CAPITAL INVESTMENT ANALYSIS FOR PERIOD OCTOBER 1996 THROUGH SEPTEMBER 1997

BEGINNING OF PERIOD CUMULATIVE INVESTMENT LESS ACCUMULATED DEPRECIATION NET INVESTMENT

DESCRIPTION	MONTH NO 1	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
NVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE INVEST	0	0	0	0	0	0	0	0	0	0	9	0	0
LESS ACCUM DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0
NETINVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
AVERAGE INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	
RETURN ON AVG INVEST	0	0	0	0	0	0	0	0	0	0	0	0	0
RETURN REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEPR & RETURN	0	0	0	0	0	0	0	0	0	0	0	0	0

0

0

COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG - 1 Page 9 of 17

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH PERIOD OCTOBER 1998 THROUGH SEPTEMBER 1997 TWO MONTHS ACTUAL AND TEN MONTHS PROJECTED

DESCRIPTION	MONTH NO 1	MONTH NO 2	MONTH NO 3	MONTH NO 4	MONTH NO 5	MONTH NO -8	MONTH NO. 7	MONTH NO. 8	MONTH NO 9	MONTH NO 10	MONTH NO. 11	MONTH NO 12	TOTAL
ELECTRIC REPLACEMENT	12594	22807	27821	27621	27621	27021	27821	27821	27821	27821	27821	27821	311414
HOME BUILDER PRGM	25757	27099	32723	32723	32723	32723	32723	32723	32723	32723	32723	32723	380086
3 ESP PROGRAM	3679	5942	2621	2621	2621	2821	2821	2621	2621	2021	2821	2821	35821
4 LEGAL & PROFESSIONAL	0	0	417	417	417	417	417	617	417	417	417	417	416
WATER HEATER RETENT	4692	3772	3348	3348	3348	3348	3348	3348	3348	3348	3348	3348	
B SPACE CONDITIONING	3175	5706	12744	12744	12744	12744	12744	12744	12744	12744	12744	12744	13631
COMM RESISTANCE	1975	7966	5413	5413	5413	5413	5413	5413	5413	5413	5413	5413	8408
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
O (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
1 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
2 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
3 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
14 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
15 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
18 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
17 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
8 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0		0	
9 (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
PO (NSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL ALL PROGRAMS	51871	73093	84887	84887	84887	84887	84887	84887	84887	84887	84887	84887	97383
LESS													
BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	
WET RECOVERABLE	51871	73093	84887	84887	84887	84887	84887	84887	84887	84887	84887	84887	07383

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COMPANY WEST FLORIDA NATURAL GAS Exhibit WBG - 1 Page 10 of 17

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT FOR PERIOD OCTOBER 1996 THROUGH SEPTEMBER 1997 TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

co	NSERVATION REVS	MONTH NO 1	NO 2	MONTH	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	HCS AUDIT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2	OTHER PROG REVS	0	0	0	o	0	0	0	0	0	0	0	0	0
3	CONSERV ADJ REVS	(34.514)	(41,556)	(104,804)	(117,253)	(98,753)	(71,923)	0	0	0	0	0	0	(468,803
4	TOTAL REVENUES	(34.514)	(41,558)	(104,804)	(117,253)	(98,753)	(71,923)	0	0	σ	0	0	0	(468,803)
5	PRIOR PERIOD TRUE - UP NOT APPLICABLE TO THIS PERIOD CONSERV REVS	(18.582)	(18.582)	(18,582)	(18,582)	(18.582)	(18,582)	(18,582)	(18.582)	(18,582)	(18,582)	(18,582)	(18,582)	(222,988
	APPLICABLE TO THE PERIOD	(53.097)	(60,138)	(123.387)	(135,836)	(117,335)	(90,505)	(18,582)	(18,582)	(18,582)	(18,582)	(18,582)	(18,582)	(691,791
7	CONSERV EXPS	51,871	73,093	84,887	84,987	84,887	84,887	84,887	84,887	84,887	84,987	84,887	84,887	973,831
8	TRUE - UP THIS PERIOD	(1.225)	12,954	(38,500)	(50,949)	(32,448)	(5.618)	66,304	88,304	66,304	98,304	69,304	66,304	282,040
9	INTER PROVISION THIS PERIOD	(966)	(861)	(844)	(967)	(1,076)	(1,083)	(806)	(484)	(101)	284	671	1,060	(5,234
10	TRUE - UP AND INTEREST PROV. BEG OF MONTH	(222.988)	(206,597)	(175,921)	(196,683)	(230,017)	(244,959)	(233,077)	(149,057)	(64,654)	20,132	105,303	190,860	(222,008
11	PRIOR TRUE - UP COLLECTED OR (REFUNDED)	18,582	18,582	18,582	18,582	18,582	18,582	18,582	18,582	18,582	18,582	18,582	18,582	222,964
12	TOTAL NET TRUE - UP	(206,597)	(175,921)	(195,583)	(230,017)	(244,959)	(233,077)	(149,057)	(84,654)	20,132	105,303	190.860	276,807	276,807

SCHEDULE C - 3

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CALCULATION OF TRUE - UP AND INTEREST PROVISION FOR PERIOD OCTOBER 1995 THROUGH SEP TEMBER 1997 TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

TEREST PROVISION	NO 1	MONTH NO 2	NO 3	MONTH NO 4	MONTH NO 5	MONTH NO 6	MONTH NO 7	MONTH NO 8	MONTH NO 0	MONTH NO 10	MONTH NO 11	MONTH NO 12	TOTAL
BEGINNING TRUE - UP	(222.988)	(206,597)	(175 921)	(196.683)	(230.017)	(244,950)	(233,077)	(149,057)	(64,654)	20,132	105,303	190,880	
ENDING TRUE - UP SEFORE INTEREST	(205.631)	(175,060)	(195,839)	(229,050)	(243,882)	(231,994)	(148,191)	(64,170)	20,233	105,018	190,189	275,747	
TOTAL BEGINNING & ENDING TRUE - UP	(428,619)	(381 657)	(371.780)	(425,733)	(473,899)	(476.953)	(381,268)	(213.228)	(44,421)	125,150	295,492	485,807	
AVERAGE TRUE - UP (LINE 3 TIMES 50%)	(214,309)	(190.829)	(185.880)	(212,866)	(238.949)	(238,476)	(190,634)	(108,813)	(22,211)	62,575	147,746	233,304	
INTEREST RATE FIRST DAY OF REPORTING MONTH	5 440%	5 380%	5 450%	5 450%	5 450%	5 450%	5 450%	5.450%	5 450%	5 450%	5.450%	5.450%	
INTER RATE - FIRST DAY SUBSEQUENT MONTH	5.380%	5.450%	5.450%	5 450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	5.450%	
TOTAL (SUM LINES 5 & 6)	10.820%	10 830%	10 900%	10 900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	10.900%	
AVG. INTEREST RATE (LINE 7 TIMES 50%)	5 410%	5 415%	5 450%	5 450%	5 450%	5 450%	5.450%	5.450%	5.450%	5.450%	5 450%	5.450%	
MONTHLY AVG	0 451%	0 451%	0.454%	0 454%	0 454%	0 454%	0 454%	0.454%	0 454%	0 454%	0 454%	0 454%	
INTEREST PROVISION	(988)	(861)	(844)	(967)	(1,076)	(1,083)	(866)	(484)	(101)	284	671	1,080	(5,2

Conservation Cost Recovery Schedule C-5 Page 1 of 6 Exhibit No
Docket No 970002-EG
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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 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 Title:

Residential Electric Resistance & Oil Heating Replacement Program

Program Description:

This program will promote the replacement of all electric appliances water heaters, space and central heaters, ranges and dryers where it is cost effective to do so.

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 when converting from electric to energy conserving natural gas appliances.

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	
Range	
Dryer	.\$150.00
Appliances with Electronic Ignition	
Space Heaters < 50,000 BTUs	
Space Heaters > 50,000 BTUs	

Program Projections:

We are projecting 945 electric and oil appliances will be replaced with Natural Gas appliances during the period of April 1997 through March 1998.

Conservation Cost Recovery Schedule C-5 Page 2 of 6

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Program Title

Residential Home Builder 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 conserving natural gas appliances in new residences as a substitute for electrical appliances.

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

Water Heater	\$150.00
Central Heater	\$250.00
Range	\$100.00
Dryer	

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

Program Projections:

The Company projects that 630 new single and multi-family residences will each be built with natural gas central heaters and water heaters during the period April 1997 through March 1998. We estimate that 300 gas ranges and 250 dryers will also be installed in those residences.

Conservation Cost Recovery Schedule C-5 Page 3 of 6

Program Title:

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 consider the extra expense of energy efficient natural gas appliances in lieu of standard 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 and KWH deferred and/or the Therm 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	

Program Projections:

We estimate that 452 energy efficient natural gas appliances will be installed, replacing standard natural gas appliances or electric appliances during the period April 1997 through March 1998.

Conservation Cost Recovery Schedule C-5 Page 4 of 6

Program Title:

Natural 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, KWH consumption and KW demand.

The installation allowance is:

Water Heater.....\$100.00

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 475 water heaters will be retained during the period April 1997 through March 1998.

Conservation Cost Recovery Schedule C-5 Page 5 of 6 Program Title:

Natural 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 instead of electric equipment.

The installation allowances are

\$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 1100 tons of space conditioning equipment being installed during the period April 1997 through March 1998.

Conservation Cost Recovery Schedule C-5 Page 6 of 6 Exhibit No.

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Program Title:

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

The formula to determine the KWD is:

no. of watts input (min. 6000) = KWD

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 50 customers will replace units with a total of 1480 KWD during the period April 1997 through March 1998.