

September 14, 1998

Federal Express

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

Re: **Docket No. 980002-EG**
Conservation Cost Recovery

Dear Ms. Bayo:

Enclosed for filing in the above docket are 1) an original and 10 copies of City Gas Company of Florida's petition for approval of true-up amount; and 2) an original and 10 copies of the testimony of Carl Smith relating to the aforementioned petition, with attached Schedules CT-1 through CT-6.

ACK _____
AFA Uanduci Thank you for your assistance.

APP _____

CAF _____

CMU _____

CTR _____

EAG Ballinger

LEG 1

LIN 3 Fa MAP/n
8 test

OPC _____ Encl.

RCH _____

SEC 1

WAS _____

OTH _____

Sincerely,

Michael A. Palecki

Michael A. Palecki
Attorney, Legal & Regulatory Affairs
NUI Corporation

MAIL ROOM

98 SEP 15 AM 10:40

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

CARL SMITH

ORIGINAL

980002-EG

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

3

4 A. My name is Carl Smith and my business address is 955 East 25th Street,
5 Hialeah, Florida 33013-3498. I am employed by NUI Corporation as
6 Director of Marketing for its regulated businesses, comprising the Florida,
7 North Carolina, Maryland, Pennsylvania, New York and New Jersey utility
8 operations of NUI Corporation.

9

10 Q. Are you familiar with the energy conservation programs of City Gas
11 Company of Florida ("City Gas")?

12

13 A. Yes, I am. City Gas is NUI Corporation's Florida utility operation.

14

15 Q. Are you familiar with the costs that have been incurred and that are
16 projected to be incurred by City Gas in implementing its energy
17 conservation programs?

18

19 A. Yes, I am.

20

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

DOCUMENT NUMBER-DATE

10100 SEP 15 88

FPSC-RECORDS/REPORTING

1 A. To submit the recoverable costs incurred during the six month period
2 ending March 31, 1998, and to identify the final true-up amount related to
3 that period.

4
5 **Q. Has City Gas prepared summaries of its conservation programs and**
6 **the costs associated with these programs?**

7
8 A. Yes. Summaries of the Company's programs are contained in Schedule
9 CT-6 of my Exhibit (CS-1).

10
11 **Q. Has City Gas prepared schedules which show the expenditures**
12 **associated with its energy conservation programs for the periods you**
13 **have mentioned?**

14
15 A. Yes. I have prepared and filed together with this testimony Schedules CT-
16 1 through CT-5 as prescribed by Commission Staff. These schedules are
17 included in my Exhibit (CS-1).

18
19 **Q. What amount did City Gas spend on conservation programs during**
20 **this period?**

21
22 A. \$505,738.00.

23
24 **Q. What is the final true-up amount associated with the six month period**
25 **ending March 31, 1998?**

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A. An over recovery of \$262,971.00.

Q. Does this conclude your testimony?

A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prepared Direct Testimony and Exhibits of Carl Smith has been furnished by U.S. Mail to the following parties of record, this 15th day of September, 1998:

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Exhibit No. _____
City Gas Company of Florida
(A Division of NUI Corporation)
DOCKET NO. 980002-EG
(CS-1)
Page 1 of 22

CITY GAS COMPANY OF FLORIDA
CONSERVATION COST RECOVERY TRUE-UP DATA
(October 1, 1997 through March 31, 1998)

DESCRIPTION	<u>PAGE</u>
Contents	2
Schedule CT-1	
1 of 1 - Summary: Adjusted Net True-up	3
Schedule CT-2 -	
1 of 3 - Energy Conservation Costs: Actual vs. Estimated	4
2 of 3 - Actual Conservation Program Costs per Program	5
3 of 3 - Conservation Costs per Program - Variance Actual vs. Projected	6
Schedule CT-3	
1 of 3 - Summary of Expenses by Program	7
2 of 3 - Energy Conservation Adjustment Calculation of True-up and Interest	8
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Schedule CT-4	
1 of 1 - Schedule of Capital Investments, Depreciation and Return	10
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1 of 1 - Reconciliation and Explanation of Differences Between Filing and FPSC Audit Report	11
Schedule CT-6	
Program Progress Reports:	
Residential Builder Program	12
Multi-Family Residential Builder Program	13
Residential Appliance Replacement Program	14
Dealer Program	15
Gas Appliances in Schools Program	16
Residential Propane Conversion Program	17
Residential Water Heater Retention Program	18
Residential Cut and Cap Program	19
Commercial/Industrial Conversion Program	20
Commercial/Industrial Alternative Technology Program	21
Common Costs	22

ADJUSTED NET TRUE UP
FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

END OF PERIOD NET TRUE-UP

PRINCIPLE	(169,928)	
INTEREST	(4,450)	(174,378)

LESS PROJECTED TRUE-UP

PRINCIPLE	90,335	
INTEREST	(1,742)	88,593

ADJUSTED NET TRUE-UP		(262,971)
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT			-
PAYROLL & BENEFITS	157,858	202,248	(44,390)
MATERIALS & SUPPLIES	4	300	(296)
ADVERTISING	24,729	63,687	(38,958)
INCENTIVES	290,864	483,909	(193,045)
OUTSIDE SERVICES	18,650	-	18,650
VEHICLES	13,633	18,947	(5,314)
OTHER	<u>-</u>	<u>-</u>	<u>-</u>
SUB-TOTAL	505,738	769,091	(263,353)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	505,738	769,091	(263,353)
LESS:			
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	<u>(675,666)</u>	<u>(678,756)</u>	<u>3,090</u>
TRUE-UP BEFORE INTEREST	(169,928)	90,335	(260,263)
INTEREST PROVISION	(4,450)	(1,742)	(2,708)
END OF PERIOD TRUE-UP	<u>(174,378)</u>	<u>88,593</u>	<u>(262,971)</u>

() REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL BUILDER	45,593	-	417	179,714	-	4,098	-	229,822
PROGRAM 2: MULTI FAMILY RESIDENTIAL BLDR.	-	-	-	-	-	-	-	-
PROGRAM 3: APPLIANCE REPLACEMENT	100,968	-	24,312	107,340	-	8,333	-	240,953
PROGRAM 4: DEALER PROGRAM	7,508	-	-	3,810	-	831	-	12,149
PROGRAM 5: SCHOOLS PROGRAM	3,789	4	-	-	-	371	-	4,164
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	-	-	-	-
PROGRAM 7: WATER HEATER RETENTION	-	-	-	-	-	-	-	-
PROGRAM 8: CUT AND CAP ALTERNATIVE	-	-	-	-	-	-	-	-
PROGRAM 9: COMM/IND CONVERSION	-	-	-	-	-	-	-	-
PROGRAM 10: COMM/IND ALTERNATIVE TECH.	-	-	-	-	-	-	-	-
COMMON COSTS	-	-	-	-	18,650	-	-	18,650
TOTAL	157,858	4	24,729	290,864	18,650	13,633	-	505,738

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL BUILDER	(24,644)	-	(5,383)	(105,656)	-	(1,687)	-	(137,370)
PROGRAM 2: MULTI FAMILY RESIDENTIAL BLDR.	-	-	-	-	-	-	-	-
PROGRAM 3: APPLIANCE REPLACEMENT	7,714	-	(15,421)	(54,720)	-	(3,469)	-	(65,896)
PROGRAM 4: DEALER PROGRAM	(10,642)	-	(2,900)	(1,050)	-	(316)	-	(14,908)
PROGRAM 5: SCHOOLS PROGRAM	(8,457)	(296)	-	-	-	156	-	(8,597)
PROGRAM 6: PROPANE CONVERSION	(1,638)	-	(4,379)	(2,292)	-	-	-	(8,309)
PROGRAM 7: WATER HEATER RETENTION	-	-	(6,528)	(12,187)	-	-	-	(18,715)
PROGRAM 8: CUT AND CAP ALTERNATIVE	(2,456)	-	(1,159)	(4,500)	-	-	-	(8,115)
PROGRAM 9: COMM/IND CONVERSION	(4,265)	-	(12,639)	(3,189)	-	-	-	(20,093)
PROGRAM 10: COMM/IND ALTERNATIVE TECH.	-	-	-	-	-	-	-	-
COMMON COSTS	-	-	-	-	18,650	-	-	18,650
TOTAL	(44,388)	(296)	(48,409)	(183,594)	18,650	(5,316)	-	(263,353)

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

SUMMARY OF EXPENSES BY PROGRAM
OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	OCT 1997	NOV 1997	DEC 1997	JAN 1998	FEB 1998	MAR 1998	TOTAL
PROGRAM 1: RESIDENTIAL BUILDER	52,633	38,177	30,680	37,228	28,880	42,224	229,822
PROGRAM 2: MULTI FAMILY RESIDENTIAL BLDR.	-	-	-	-	-	-	-
PROGRAM 3: APPLIANCE REPLACEMENT	34,414	28,265	28,663	47,693	47,376	54,542	240,953
PROGRAM 4: DEALER PROGRAM	2,199	2,366	2,599	2,706	1,777	502	12,149
PROGRAM 5: SCHOOLS PROGRAM	606	813	717	568	722	738	4,164
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	-	-	-
PROGRAM 7: WATER HEATER RETENTION	-	-	-	-	-	-	-
PROGRAM 8: CUT AND CAP ALTERNATIVE	-	-	-	-	-	-	-
PROGRAM 9: COMM/IND CONVERSION	-	-	-	-	-	-	-
PROGRAM 10: COMM/IND ALTERNATIVE TECH. COMMON COSTS	-	-	-	-	-	18,650	18,650
TOTAL	89,842	69,621	62,059	88,195	78,755	116,656	505,738

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST
OCTOBER 1997 THROUGH MARCH 1998

	OCT 1997	NOV 1997	DEC 1997	JAN 1998	FEB 1998	MAR 1998	TOTAL
<u>CONSERVATION REVENUES</u>							
1. RCS AUDIT FEES	-	-	-	-	-	-	-
2. OTHER PROGRAM REVS	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS	<u>(82,108)</u>	<u>(94,869)</u>	<u>(119,662)</u>	<u>(118,760)</u>	<u>(107,664)</u>	<u>(109,680)</u>	<u>(632,743)</u>
4. TOTAL REVENUES	<u>(82,108)</u>	<u>(94,869)</u>	<u>(119,662)</u>	<u>(118,760)</u>	<u>(107,664)</u>	<u>(109,680)</u>	<u>(632,743)</u>
PRIOR PERIOD TRUE UP NOT APPLICABLE TO THE PERIOD							
5.	<u>(7,426)</u>	<u>(7,426)</u>	<u>(7,426)</u>	<u>(7,426)</u>	<u>(7,426)</u>	<u>(7,426)</u>	<u>(44,556)</u>
CONSERVATION REVENUES APPLICABLE TO THE PERIOD							
6.	<u>(87,901)</u>	<u>(102,295)</u>	<u>(127,088)</u>	<u>(126,186)</u>	<u>(115,090)</u>	<u>(117,106)</u>	<u>(675,666)</u>
CONSERVATION EXPENSES (FROM CT-3, PAGE 1)							
7.	<u>89,852</u>	<u>69,621</u>	<u>62,659</u>	<u>88,195</u>	<u>78,755</u>	<u>116,656</u>	<u>505,738</u>
8. TRUE-UP THIS PERIOD	<u>1,951</u>	<u>(32,674)</u>	<u>(64,429)</u>	<u>(37,991)</u>	<u>(36,335)</u>	<u>(450)</u>	<u>(169,928)</u>
9. INT. PROV. THIS PERIOD (FROM CT-3 PAGE 3)	<u>(418)</u>	<u>(459)</u>	<u>(665)</u>	<u>(867)</u>	<u>(991)</u>	<u>(1,051)</u>	<u>(4,450)</u>
TRUE-UP & INTER. PROV. BEGINNING OF MONTH							
10.	<u>(95,290)</u>	<u>(86,331)</u>	<u>(112,037)</u>	<u>(169,705)</u>	<u>(201,137)</u>	<u>(231,037)</u>	
PRIOR PERIOD TRUE UP COLLECTED/(REFUNDED)							
11.	<u>7,426</u>	<u>7,426</u>	<u>7,426</u>	<u>7,426</u>	<u>7,426</u>	<u>7,426</u>	
12. TOTAL NET TRUE UP 8 + 9 + 10 + 11)	<u>(86,331)</u>	<u>(112,037)</u>	<u>(169,705)</u>	<u>(201,137)</u>	<u>(231,037)</u>	<u>(225,112)</u>	<u>(174,378)</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION
OCTOBER 1997 THROUGH MARCH 1998

INTEREST PROVISION	OCT 1997	NOV 1997	DEC 1997	JAN 1998	FEB 1998	MAR 1998	TOTAL
1. BEGINNING TRUE-UP	(95,290)	(86,331)	(112,037)	(169,705)	(201,137)	(231,037)	
2. ENDING TRUE-UP BEFORE INTEREST	<u>(85,913)</u>	<u>(111,579)</u>	<u>(169,040)</u>	<u>(200,270)</u>	<u>(230,046)</u>	<u>(224,061)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	(181,203)	(197,909)	(281,078)	(369,975)	(431,183)	(455,098)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>(90,602)</u>	<u>(98,955)</u>	<u>(140,539)</u>	<u>(184,988)</u>	<u>(215,592)</u>	<u>(227,549)</u>	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.530%	5.530%	5.600%	5.750%	5.500%	5.530%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	<u>5.530%</u>	<u>5.600%</u>	<u>5.750%</u>	<u>5.500%</u>	<u>5.530%</u>	<u>5.550%</u>	
7. TOTAL (SUM LINES 5 & 6)	11.060%	11.130%	11.350%	11.250%	11.030%	11.080%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.530%	5.565%	5.675%	5.625%	5.515%	5.540%	
9. MONTHLY AVG INTEREST RATE	0.461%	0.464%	0.473%	0.469%	0.460%	0.462%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	<u>(418)</u>	<u>(459)</u>	<u>(665)</u>	<u>(867)</u>	<u>(991)</u>	<u>(1,051)</u>	<u>(4,450)</u>

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN
 FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

BEGINNING OF PERIOD CUMULATIVE INVESTMENT:
 LESS: ACCUMULATED DEPRECIATION:
 NET INVESTMENT

DESCRIPTION	OCT 1997	NOV 1997	DEC 1997	JAN 1998	FEB 1998	MAR 1998	TOTAL
INVESTMENT	-	-	-	-	-	-	-
DEPRECIATION BASE	-	-	-	-	-	-	-
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
CUMULATIVE INVEST.	-	-	-	-	-	-	-
LESS: ACCUM. DEPR	-	-	-	-	-	-	-
NET INVESTMENT	-	-	-	-	-	-	-
AVERAGE INVESTMENT	-	-	-	-	-	-	-
RETURN ON AVG INVEST	-	-	-	-	-	-	-
RETURN REQUIREMENTS	-	-	-	-	-	-	-
TOTAL DEPR & RETURN	-	-	-	-	-	-	-

CITY GAS COMPANY OF FLORIDA

SCHEDULE CT-5

**Reconciliation and Explanation of Differences Between
Filing and PSC Audit Report**

(If no differences exist please state)

There are no known differences at this time.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL BUILDER - PROGRAM 1

DESCRIPTION: The Residential Builder Program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy-efficient natural gas appliances in residences that would qualify for the RS rates. The program offers builders and developers incentives in the form of cash allowances to assist in defraying the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

Furnace	\$350
Water Heater	350
Range	100
Dryer	100
Triathlon.....	1200

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

APPLIANCES INSTALLED:

The Company connected 1,361 gas appliances during the period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: MULTI-FAMILY RESIDENTIAL BUILDER - PROGRAM 2

DESCRIPTION: The Multi-Family Residential Builder Program is designed to increase overall energy efficiency in the multi-family new construction market by promoting energy-efficient natural gas in multi-unit residences qualifying for the Company's CS rates.

PROGRAM ALLOWANCES:

Per dwelling unit \$300

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

APPLIANCES INSTALLED:

There was no activity in this program during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM 3

DESCRIPTION: The Residential Appliance Replacement Program is designed to promote the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. The Program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

Furnace	\$625
Water Heater	525
Range	100
Dryer	100
Triathlon.....	1,200

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

APPLIANCES INSTALLED:

The Company connected 247 gas appliances during this period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: DEALER - PROGRAM 4

DESCRIPTION: The Dealer Program is designed to encourage the replacement of non-gas appliances with energy efficient natural gas appliances through appliance dealers and contractors. The program offers incentives to the dealers and contractors.

PROGRAM ALLOWANCES:

DEALER/CONTRACTOR ALLOWANCE:	
Furnace	\$30
Water Heater	30
Range	15
Dryer	15

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

APPLIANCES INSTALLED:

The Company connected 106 appliances during the period.

Note: This program was discontinued in February 1998 with Order #PSC-98-0154-GOF-GU granting the new programs.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: GAS APPLIANCES IN SCHOOLS - PROGRAM 5

DESCRIPTION: The Gas Appliances in Schools Program is designed to promote natural gas appliances where cost-efficient, in Home Economic Departments in schools located in our Company's service areas. The program provides teaching assistance on energy conservation and on the use, care, and safety of natural gas appliances through a Company-employed home economist.

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

Program costs for the period were \$4,164.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL PROPANE CONVERSION - PROGRAM 6

DESCRIPTION: The Residential Propane Conversion Program is designed to promote the conversion of existing residential propane appliances to utilize efficient natural gas. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the conversion of their existing propane appliances to utilize natural gas.

PROGRAM ALLOWANCES:

Furnace	\$200
Water Heater	100
Range	25
Dryer	50

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

There were no program costs during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL WATER HEATER RETENTION - PROGRAM 7

DESCRIPTION: The Residential Water Heater Retention Program is designed to promote the retention of energy efficient natural gas water heaters in existing residential structures. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and installation of energy efficient natural gas appliances.

PROGRAM ALLOWANCES:

Water Heater \$50

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

There were no program costs during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: RESIDENTIAL CUT AND CAP - PROGRAM 8

DESCRIPTION: The Residential Cut and Cap Program is designed to encourage the re-activation of existing residential service lines that are scheduled to be cut off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and/or lease and the installation of energy efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service re-activation.....	\$200
----------------------------	-------

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

There were no program costs during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: COMMERCIAL/INDUSTRIAL CONVERSION - PROGRAM 9

DESCRIPTION: The Commercial/Industrial Conversion Program is designed to promote the conversion of commercial and industrial inefficient non-gas equipment to energy efficient natural gas. The program offers incentives in the form of cash allowances to existing commercial and industrial businesses located in existing structures, to assist in defraying the incremental first costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

PROGRAM ALLOWANCES:

Per 100,000 BTU input rating..... \$75

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

There were no program costs during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: COMMERCIAL/INDUSTRIAL ALTERNATIVE TECHNOLOGY INCENTIVE - PROGRAM 10

DESCRIPTION: The Commercial/Industrial Alternative Technology Incentive Program (ATI) is designed to encourage commercial and industrial business owners to install alternate technologies that utilize natural gas that are not covered by one of the other City Gas Energy Conservation Programs, but which cost-effectively reduce the total utility expense of the business. The program offers incentives based on the cost-effectiveness under a life-cycle analysis utilizing a computerized energy consumption simulation model.

PROGRAM ALLOWANCES:

Payback period of three years subject to a maximum incentive of three times the projected incremental annualized margin.

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

PROGRAM SUMMARY:

There were no program costs during the October 1997 through March 1998 period.

CITY GAS COMPANY OF FLORIDA

**Schedule CT-6
PROGRAM PROGRESS REPORT**

NAME: ENERGY CONSERVATION COMMON COSTS

REPORTING PERIOD: OCTOBER 1997 through MARCH 1998

There were \$18,650 in costs for the October 1997 through
March 1998 period.