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December 5, 1998

IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
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VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 980002-EG -- Energy Conservation Cost Recovery Clause

Dear Ms. Bayo:

- ACK _____
- AFA 1 Enclosed for filing with the Commission in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 15 copies of the following:
- APP _____
- CAF _____ ♦ Peoples' Amended Petition for Approval of True-Up Amounts (for the period October 1997 - April 1998) and Conservation Cost Recovery Factors (to be applied during the period April - December 1999); 13718-98
- CMR _____
- CTR _____
- EAG 1 Prepared Direct Testimony of Vernon I. Krutsinger on behalf of Peoples (which supersedes and replaces Mr. Krutsinger's testimony filed on September 4, 1998); 13719-98
- LEG 1
- LIN 37
- OPC _____ ♦ Exhibit ___ (VIK-1), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region (which supersedes and replaces the exhibit of the same number filed on September 4, 1998);
- RCH _____
- SEC 1
- WAS _____ ♦ Exhibit ___ (VIK-2), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region (which supersedes and replaces the exhibit of the same number filed on September 4, 1998);
- OTH _____ ♦ Exhibit ___ (VIK-3), consisting of Schedules C-1 through C-5 for Peoples' divisions other than the West Florida Region; and

EDH
PUBLIC
COMMISSION
-7-
LRDCM

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

Blanca S. Bayo, Director
December 5, 1998
Page 2

- ◆ Exhibit ____ (VIK-4), consisting of Schedules C-1 through C-5 for Peoples' West Florida Region.

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on February 17, 1999.

A diskette -- containing both the enclosed amended petition and the testimony of Mr. Krutsinger -- is also enclosed.

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

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Vernon I. Krutsinger
J. Brent Caldwell
Kandi Floyd
Angela Llewellyn
All Parties of Record

ORIGINAL

PEOPLES GAS SYSTEM
DOCKET NO. 980002-EG
SUBMITTED FOR FILING 12/07/98

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 VERNON I. KRUTSINGER

5
6 Q. Please state your name, business address, by whom you are
7 employed, and in what capacity.

8
9 A. My name is Vernon I. Krutsinger. 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 Peoples
12 Gas System ("Peoples") as Manager of Energy Conservation.

13
14 Q. Are you familiar with Peoples' energy conservation
15 programs?

16
17 A. Yes.

18
19 Q. Are you familiar with the costs which have been incurred
20 and which are projected to be incurred by Peoples in
21 implementing its energy conservation programs?

22
23 A. Yes. I am responsible for planning, implementation,
24 coordination, and maintenance of all of Peoples' energy
25 conservation programs. My responsibilities include
26 routinely testifying in support of the Company's energy

DOCUMENT NUMBER-DATE

13719 DEC-7 98

FPSC-RECORDS/REPORTING

1 conservation cost recovery filings.

2

3 Q. Have you previously testified in proceedings before the
4 Florida Public Service Commission?

5

6 A. Yes. Since 1992, I have testified in a number of energy
7 conservation cost recovery proceedings. I have also
8 testified in other conservation-related dockets before the
9 Commission.

10

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

12

13 A. My testimony addresses Peoples' energy conservation
14 programs and the costs that Peoples seeks to recover
15 through the energy conservation cost recovery ("ECCR")
16 clause. My testimony supports the revenues and expenses
17 incurred and expected to be incurred in connection with the
18 conservation programs of both the former Peoples Gas
19 System, Inc. (the costs of which are recovered under
20 Peoples' Volume 1 Tariff) and the former West Florida
21 Natural Gas Company (the costs of which are recovered under
22 Peoples' Volume 2 Tariff). I will hereafter refer to the
23 territory within which the Volume 2 Tariff applies as
24 Peoples' "West Florida Region."

25

26 My testimony first presents data and summaries concerning
27 the planned and actual accomplishments of the Company's
28 energy conservation programs during the period October 1997

1 through March 1998. Data related to the calculation of the
2 true-up for this period is also included.

3
4 Second, my testimony describes generally the expenditures
5 made and projected to be made in implementing, promoting
6 and operating Peoples' energy conservation programs for the
7 current period. This information includes actual costs
8 incurred in April through September 1998, and revised
9 projections of program costs that Peoples expects to incur
10 from October 1998 through March 1999. Next, my testimony
11 presents projected conservation program costs for the
12 period April 1, 1999 through December 31, 1999.

13
14 Finally, my testimony presents the calculation of the
15 conservation cost recovery adjustment factors to be applied
16 to customers' bills during the period beginning April 1,
17 1999 and continuing through December 31, 1999.

18
19 Specifically, the first portion of my testimony addresses
20 the adjusted net true-up amounts associated with those
21 programs for the period October 1997 through March 1998.

22
23 Q. Are you sponsoring any exhibits with your testimony?

24
25 A. Yes. I am sponsoring four exhibits. Exhibit ____ (VIK-I)

1 contains the conservation cost recovery true-up data for
2 the period October 1997 through March 1998 for Peoples'
3 divisions other than the West Florida Region. Exhibit ____
4 (VIK-2) contains similar information for the same period
5 for the West Florida Region. Exhibit ____ (VIK-3) consists
6 of Schedules C-1 through C-5, which contain information
7 related to the calculation of the ECCR factors to be
8 applied to customers' bills during the period April through
9 September 1999 in Peoples divisions other than the West
10 Florida Region. Exhibit ____ (VIK-4) contains the same
11 schedule and similar information for the West Florida
12 Region.

13
14 **Q.** Have you prepared summaries of the Company's conservation
15 programs and the costs associated with these programs?
16

17 **A.** Yes. Summaries of the Company's programs in divisions
18 other than the West Florida Region are presented in Exhibit
19 ____ (VIK-3), Schedule C-5, consisting of nine pages.
20 Summaries of the programs in the West Florida Region are
21 presented in Exhibit ____ (VIK-4), Schedule C-5, consisting
22 of seven pages.
23

24 **Q.** Have you prepared schedules that show the expenditures
25 associated with Peoples' energy conservation programs for

1 the periods that your testimony addresses?
2
3 A. Yes. Actual expenses for the period October 1997 through
4 March 1998 for Peoples' divisions other than the West
5 Florida Region are shown on Schedule CT-2, page 2, of
6 Exhibit ____ (VIK-1). Actual expenses for that period for
7 the West Florida Region are shown on Schedule CT-2, page 2,
8 of Exhibit ____ (VIK-2). In each of these exhibits,
9 Schedule CT-2, page 1, presents a comparison of the actual
10 program costs and true-up amount to the projected costs and
11 true-up amount for the same period.
12
13 Q. What are the Company's true-up amounts for the period
14 October 1997 through March 1998?
15
16 A. With respect to Peoples' divisions other than the West
17 Florida Region, as shown on Schedule CT-1 of Exhibit ____
18 (VIK-1), the end-of-period net true-up for the period is an
19 overrecovery of \$1,527,481, including both principal and
20 interest. The projected true-up for the period was an
21 overrecovery of \$1,013,605 (including interest).
22 Subtracting the projected true-up overrecovery from the
23 actual overrecovery yields the adjusted net true-up of
24 \$513,876 overrecovery (including interest).
25

1 With respect to Peoples' West Florida Region, as shown on
2 Schedule CT-I of Exhibit ____ (VIK-2), the end-of-period
3 net true-up for the period is an overrecovery of \$357,250,
4 including both principal and interest. The projected
5 true-up for the period was an overrecovery of \$207,645
6 (including interest). Subtracting the projected true-up
7 overrecovery from the actual overrecovery yields the
8 adjusted net true-up of \$149,605 overrecovery (including
9 interest).

10
11 Q. What do the rest of the schedules in Exhibits ____ (VIK-1)
12 and ____ (VIK-2) show?

13
14 A. Schedule CT-2, in each of the exhibits, presents an
15 analysis of the variance between actual and estimated
16 energy conservation program costs for the period October
17 1997 through March 1998. Each exhibit's Schedule CT-3
18 presents an analysis of program costs, by month and by
19 program, and calculation of the true-up and interest
20 amounts. Schedule CT-4 is not applicable to Peoples.
21 Schedule CT-5 provides for a reconciliation and explanation
22 of differences between the Company's filing and the
23 Commission's audit for the relevant period, and there are
24 no such differences to report as of the date of this
25 filing. Each exhibit's Schedule CT-6 contains Program

1 Progress Reports for each of Peoples' approved energy
2 conservation programs.

3

4 Q. Have you prepared schedules required for the calculation of
5 Peoples' proposed conservation adjustment factors to be
6 applied during the period from April 1, 1999 through and
7 including September 30, 1999?

8

9 A. Yes. Schedule C-3 of Exhibits VIK-3 (for divisions other
10 than the West Florida Region) and VIK-4 (for the West
11 Florida Region) shows actual expenses for the period April
12 through September 1998. Projected expenses for the period
13 October 1998 through March 1999 are also shown in Schedule
14 C-3 of each exhibit. The total annual cost projected
15 represents an increase over the prior year's expense due to
16 increased load growth and advertising of conservation
17 programs, particularly in new areas.

18

19 Projected expenses for the April through December 1999
20 period are shown on Schedule C-2 of Exhibits VIK-3 and VIK-
21 4. Schedule C-1 of those exhibits shows the calculation of
22 the conservation adjustment factors. Net program cost
23 estimates for the period April through December 1999 are
24 used. The estimated true-up amount from Schedule C-3 (Page
25 4, line 11) of each exhibit, being an overrecovery, was

1 subtracted from the total of the projected costs for the
2 April through December 1999 period. The resulting totals
3 of \$5,520,911 (for divisions other than the West Florida
4 Region) and \$438,751 (for the West Florida Region) were
5 then allocated to the Company's affected rate classes
6 pursuant to the methodology approved by the Commission.
7

8 Schedule C-1 of Exhibit VIK-3 shows the estimated ECCR
9 revenues and adjustment factors by rate class for Peoples'
10 divisions other than the West Florida Region for the period
11 April 1 through December 31, 1999. Schedule C-1 of Exhibit
12 VIK-4 shows the estimated ECCR revenues and adjustment
13 factors by rate class for Peoples' West Florida Region for
14 the same period.
15

16 Q. Does this conclude your prefiled direct testimony?
17

18 A. Yes, it does.
19
20
21
22
23
24

Exhibit No. _____
Docket No. 980002-EG
Peoples Gas System
(00K - 1)

Peoples Gas System

EXCEPT FOR WEST FLORIDA REGION

CONSERVATION COST RECOVERY TRUE-UP DATA

OCTOBER 1997 THROUGH MARCH 1998

Hearing:

February 17, 1999

**PEOPLES GAS SYSTEM
ADJUSTED NET TRUE-UP**

FOR MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

END OF PERIOD NET TRUE-UP

	PRINCIPAL	(1,491,170)	
	INTEREST	(36,312)	(1,527,481)

LESS PROJECTED TRUE-UP

	PRINCIPAL	(985,275)	
	INTEREST	(28,330)	(1,013,605)

			ADJUSTED NET TRUE-UP
			(513,876)

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	132,420	173,878	(41,458)
MATERIALS & SUPPLIES	2,644	5,125	(2,481)
ADVERTISING	6,616	187,500	(180,884)
INCENTIVES	1,694,726	2,577,456	(882,730)
OUTSIDE SERVICES	14,287	120,098	(105,811)
VEHICLES	20,389	16,568	3,822
OTHER	23,541	169,157	(145,616)
SUB-TOTAL	1,894,623	3,249,780	(1,355,157)
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	1,894,623	3,249,780	(1,355,157)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT			
REVENUES	(3,385,793)	(3,949,808)	564,015
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(1,491,170)	(700,029)	(791,141)
INTEREST PROVISION	(36,312)	(28,330)	(7,982)
END OF PERIOD TRUE-UP	(1,527,481)	(728,359)	(799,123)

() REFLECTS OVER-RECOVERY

* 3 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	0	1,282,950	0	0	0	1,282,950
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	0	92,435	0	0	0	92,435
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	0	15,510	0	0	0	15,510
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	42,250	0	0	0	42,250
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	0	212,306	0	0	0	212,306
PROGRAM 8: COMMON COSTS	0	132,420	2,644	6,616	0	14,287	20,389	23,541	199,897
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	49,275	0	0	0	49,275
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	132,420	2,644	6,616	1,694,726	14,287	20,389	23,541	1,894,623

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

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	0	(591,275)	0	0	0	(591,275)
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	0	(65,522)	0	0	0	(65,522)
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	0	(16,501)	0	0	0	(16,501)
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	(39,269)	0	0	0	(39,269)
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	0	(108,502)	0	0	0	(108,502)
PROGRAM 8: COMMON COSTS	0	(41,458)	(2,481)	(180,884)	0	(105,811)	3,822	(145,616)	(472,427)
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	(61,662)	0	0	0	(61,662)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	(41,458)	(2,481)	(180,884)	(882,730)	(105,811)	3,822	(145,616)	(1,355,157)

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

NOT APPLICABLE TO PEOPLES GAS SYSTEM

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

RECONCILIATION AND EXPLANATION
OF DIFFERENCES BETWEEN FILING AND THE PSC AUDIT FOR THE PERIOD

NOT APPLICABLE TO PEOPLES GAS SYSTEM

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Single Family Residential Home Builder Program

Name:

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:

Gas Water Heater.....	\$250
Gas Furnace.....	\$250
Gas Range.....	\$85
Gas Dryer.....	\$85

Program Summary

New Home Goal:	2,787
New Homes Connected:	1,915
Variance:	882
Percent of Goal:	68.5%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$1,874,225
Actual Cost:	\$1,282,950
Variance:	\$591,275

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Conservation Service Program

Name:

Description: This program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk Through Audits.

Customer Audit Charges:

Class "A" Audit.....	\$18
Walk-Through Audit.....	No Charge
Mini-Walk Through Audit.....	No Charge

Program Summary

Program Goal:	0
Program Accomplishments:	0
Variance:	0
Percent of Goal:	0.0%

The Company has not had a request for an energy audit during this period.

Conservation Cost Variance - Actual Vs. Projected	
Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0

() Reflects Overrecovery

Program Progress Report

Reporting Period: **OCTOBER 1997 THROUGH MARCH 1998**

Water Heater Load Retention Program

Name:

Description: This program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances:

Energy Efficient Gas Water Heater..... \$100

Program Summary

Goals:	1,880
Actual:	924
Variance:	655
Percent of Goal:	58.5%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$167,957
Actual Cost:	\$82,435
Variance:	\$85,522

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Replacement of Oil Heating Program

Name:

Description: This program is designed to encourage customers to convert their existing Oil Burning Heating system to energy efficient natural gas heating so as to discourage those customers from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

Program Allowances:

Energy Efficient Gas Furnaces \$330

Program Summary

Goals:	97
Actual:	47
Variance:	50
Percent of Goal:	48.5%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$32,011
Actual Cost:	\$16,510
Variance:	\$16,501

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

Small Package Cogeneration Program

Description: This program is 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. A cogeneration feasibility audit will be made available to commercial and industrial customers interested in workshops. Direct mail and personal contacts will be used to promote the cogeneration computer audit program and to assist Peoples customers in completing forms for the computer audit.

Program Summary

Goals: 0
Actual: 0
Variance: 0
Percent of Goal: 0.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost: \$0
Actual Cost: \$0
Variance: \$0

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Commercial Electric Replacement Program

Name:

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances:

For every KW Displaced (KW/D) \$40

Each customer will be allowed a maximum of 100 KW/D allowed at

Program Summary

Program Goal: 2,038

Program Accomplishments: 1,066

Variance: 982

Percent of Goal: 51.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$81,519
Actual Cost:	\$42,260
Variance:	\$39,269

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Electric Replacement Program

Name:

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Program Allowances:

Natural Gas Water Heat.....	\$440
Natural Gas Furnace.....	\$440
Natural Gas Range.....	\$75
Natural Gas Dryer.....	\$75
Natural Gas Space Heat.....	\$65

Program Summary

Program Goal:	746
Program Accomplishments:	603
Variance:	143
Percent of Goal:	80.9%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$320,808
Actual Cost:	\$212,306
Variance:	\$108,502

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Energy Conservation Common Cost

Name:

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$672,326
Actual Cost:	\$199,897
Variance:	\$472,427

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Gas Space Conditioning Program

Name:

Description:

This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural 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 / KWHD consumption.

Program Allowance:

Each customer is allowed 1000kwh maximum paid allowance/installation etc:

\$100 /kwh

Program Summary

Goals:	740
Actual:	<u>329</u>
Variance:	411
Percent of Goal:	44.4%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$110,937
Actual Cost:	\$49,276
Variance:	\$61,662

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

Program Monitoring, Evaluation and Research Demonstration

Program Summary:

The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs.

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0

() Reflects Overrecovery

Exhibit No. _____
Docket No. 980002-EG
Peoples Gas System
(WK - 2)

Peoples Gas System

WEST FLORIDA REGION

CONSERVATION COST RECOVERY TRUE-UP DATA

OCTOBER 1997 THROUGH MARCH 1998

Hearing:

February 17, 1999

PEOPLES GAS SYSTEM
ADJUSTED NET TRUE-UPFOR MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

END OF PERIOD NET TRUE-UP

PRINCIPAL	(349,196)	
INTEREST	(8,054)	(357,249)

LESS PROJECTED TRUE-UP

PRINCIPAL	(201,928)	
INTEREST	(5,717)	(207,645)

ADJUSTED NET TRUE-UP		(149,604)
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

MONTHS: OCTOBER 1997 THROUGH MARCH 1998

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	16,165	52,077	(35,912)
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	33,291	55,196	(21,905)
INCENTIVES	266,083	358,113	(92,030)
OUTSIDE SERVICES	933	1,000	(67)
VEHICLES	0	0	0
OTHER	50	0	50
SUB-TOTAL	316,522	466,386	(149,864)
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	316,522	466,386	(149,864)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT			
REVENUES	(665,718)	(463,682)	(202,036)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	(349,196)	2,704	(351,900)
INTEREST PROVISION	(8,054)	(5,717)	(2,337)
END OF PERIOD TRUE-UP	(357,249)	(3,013)	(354,237)

() REFLECTS OVER-RECOVERY

* 3 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS OCTOBER 1997 THROUGH MARCH 1998

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	120	172,606	0	0	0	172,726
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	1,000	14,080	0	0	0	15,080
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	1,252	0	0	0	0	1,252
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	0	0	0	11,769	0	0	0	11,769
PROGRAM 7: RES ELECTRIC REPLACE	0	0	0	16,593	52,325	0	0	0	68,918
PROGRAM 8: COMMON COSTS	0	16,165	0	14,326	0	933	0	50	31,474
PROGRAM 9: GAS SPACE CONDITIONING	0	0	0	0	(3,882)	0	0	0	(3,882)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: ESP PROGRAM	0	0	0	0	19,185	0	0	0	19,185
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	16,165	0	33,291	266,083	933	0	50	316,522

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

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	(20,771)	0	(13,236)	18,481	0	0	0	(15,526)
PROGRAM 2: ENERGY AUDITS	0	0	0	0	0	0	0	0	0
PROGRAM 3: WATER HEATER LOAD RET	0	(4,225)	0	(2,193)	(7,055)	0	0	0	(13,473)
PROGRAM 4: OIL HEAT REPLACEMENT	0	0	0	1,252	0	0	0	0	1,252
PROGRAM 5: SMALL PKG COGEN	0	0	0	0	0	0	0	0	0
PROGRAM 6: COM ELECTRIC REPLACE	0	(3,291)	0	(5,843)	(7,965)	0	0	0	(17,099)
PROGRAM 7: RES ELECTRIC REPLACE	0	(9,714)	0	(8,445)	(57,325)	0	0	0	(75,484)
PROGRAM 8: COMMON COSTS	0	16,165	0	14,326	0	(67)	0	50	30,474
PROGRAM 9: GAS SPACE CONDITIONING	0	(13,041)	0	(4,743)	(46,994)	0	0	0	(64,778)
PROGRAM 10: MONITORING & RESEARCH	0	0	0	0	0	0	0	0	0
PROGRAM 11: ESP PROGRAM	0	(1,035)	0	(3,023)	8,828	0	0	0	4,770
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	(35,912)	0	(21,905)	(92,030)	(67)	0	50	(149,864)

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

PEOPLE ENERGY No. _____

Docket No. 880002-EG
Peoples Gas System
(NRK - 2)

FOR MONTHS: OCTOBER 1997 THROUGH MARCH 1998

SCHEDULE OF CAPITAL INVESTMENTS, DEPRECIATION, AND RETURN

NOT APPLICABLE TO PEOPLES GAS SYSTEM

FOR MONTHS: **OCTOBER 1997 THROUGH MARCH 1998**

RECONCILIATION AND EXPLANATION
OF DIFFERENCES BETWEEN FILING AND THE FPSC AUDIT FOR THE PERIOD

NOT APPLICABLE TO PEOPLES GAS SYSTEM

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name: **Single Family Residential Home Builder Program**

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:

Gas Water Heater.....	\$150
Gas Furnace.....	\$250
Gas Range.....	\$100
Gas Dryer.....	\$100

Program Summary

New Home Goal:	314
New Homes Connected:	288
Variance:	26
Percent of Goal:	91.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$188,252
Actual Cost:	\$172,728
Variance:	\$15,528

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Conservation Service Program

Name:

Description: This program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk-Through Audits.

Customer Audit Changes:

Class "A" Audit \$15
Walk-Through Audit No Change
Mini-Walk-Through Audit No Change

Program Summary

Program Goal: 0
Program Accomplishments: 0
Variance: 0
Percent of Goal: 0.0%

The Company has not had a request for an energy audit during this period.

Conservation Cost Variance - Actual Vs. Projected
Projected Cost: \$0
Actual Cost: \$0
Variance: \$0

(1) Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Water Heater Load Retention Program

Name: _____
Description: This program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Energy Efficient Gas Water Heater..... \$100

Program Summary

Goals: 286
Actual: 161
Variance: 125
Percent of Goal: 52.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost: \$28,553
Actual Cost: \$15,080
Variance: \$13,473

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Replacement of Oil Heating Program

Name:

Description: This program is designed to encourage customers to convert their existing Oil Burning Heating system to energy efficient natural gas heating so as to discourage those customers from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

Program Allowances:

Energy Efficient Gas Furnaces \$500

Program Summary

Goals: 0
 Actual: 4
 Variance: (4)
 Percent of Goal: NA

Conservation Cost Variance - Actual Vs. Projected

Projected Cost: \$0
 Actual Cost: \$1,252
 Variance: (\$1,252)

() Reflects Overrecovery

Program Progress Report

Reporting Period: **OCTOBER 1997 THROUGH MARCH 1998**

Name:

Small Package Cogeneration Program

Description:

This program is 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. A cogeneration feasibility audit will be made available to commercial and industrial customers interested in workshops. Direct mail and personal contacts will be used to promote the cogeneration computer audit program and to assist Peoples customers in completing forms for the computer audit.

Program Summary

Goals:	0
Actual:	0
Variance:	0
Percent of Goal:	0.0%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0

() Reflects Overrecovery

Program Progress Report
Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Commercial Electric Replacement Program

Name: _____
Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances: For every KW Displaced (KW/D) \$30

Program Summary

Program Goal: 982
 Program Accomplishments: 294
 Variance: 688
 Percent of Goal: 30.8%

Conservation Cost Variance - Actual Vs. Projected
 Projected Cost: \$28,868
 Actual Cost: \$11,789
 Variance: \$17,099

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Residential Electric Replacement Program

Name:

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Program Allowances:

Natural Gas Water Heat.....	\$250
Natural Gas Furnace.....	\$500
Natural Gas Range.....	\$150
Natural Gas Dryer.....	\$150
Natural Gas Space Heat.....	\$150

Program Summary

Program Goal:	336
Program Accomplishments:	198
Variance:	140
Percent of Goal:	58.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$144,402
Actual Cost:	\$68,918
Variance:	\$75,484

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

Energy Conservation Common Cost

Conservation Cost Variance - Actual Vs. Projected	
Projected Cost:	\$1,000
Actual Cost:	\$31,474
Variance:	(\$30,474)

(1) Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Gas Space Conditioning Program

Name:

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural 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 / KWHD consumption.

Program Allowance: Each customer is allowed 1000tons maximum paid allowance/installation at: \$100 /ton

Program Summary

Goals:	609
Actual:	<u> (26)</u>
Variance:	635
Percent of Goal:	-4.2%

Conservation Cost Variance - Actual Vs. Projected	
Projected Cost:	\$60,898
Actual Cost:	(\$3,882)
Variance:	\$64,778

() Reflects Overrecovery

Program Progress Report

Reporting Period: OCTOBER 1997 THROUGH MARCH 1998

Name:

ENERGY SAVINGS PAYBACK (ESP) PROGRAM

Program Summary:

This program has been designed to promote replacement of 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. I
leer of standard gas or electric appliances.

Installation allowance is \$50.00 per Appliance

Conservation Cost Variance - Actual Vs. Projected	
Projected Cost:	\$14,418
Actual Cost:	\$19,185
Variance:	(\$4,770)

() Reflects Overrecovery

SCHEDUL C-1
 PAGE 1 OF 1

COMPANY: Peoples Gas System
 Except West Florida Region

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: April 1999 Through December 1999

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	6,861,702
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(1,340,791)
3. TOTAL (LINE 1 AND LINE 2)	5,520,911

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	1,705,629	27,719,891	11,939,403	11,397,588	23,336,991	1,913,157	8.19796%	0.06902	1.00503	0.06936
SMALL COMMERCIAL	44,982	1,652,491	674,730	557,517	1,232,247	101,019	8.19796%	0.06113	1.00503	0.06144
COMMERCIAL	143,906	72,191,392	2,446,402	17,595,930	20,042,332	1,643,062	8.19796%	0.02276	1.00503	0.02287
COMM. LGE VOL I	18,068	88,779,246	451,700	19,407,143	19,858,843	1,628,020	8.19796%	0.01834	1.00503	0.01843
COMM. LGE VOL II	348	17,231,813	15,660	2,783,799	2,799,459	229,498	8.19796%	0.01332	1.00503	0.01339
STREET LIGHTING	513	367,216	0	34,691.00	34,691	2,844	8.19796%	0.00774	1.00503	0.00778
NGVS	156	551,106	3,900	36,483	40,383	3,311	8.19796%	0.00601	1.00503	0.00604
TOTAL	1,913,602	208,493,155	15,531,795	51,813,151	67,344,946	5,520,911				

SCHEDULE C-2
PAGE 1 OF 2

COMPANY: Peoples Gas System

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
April 1999 Through December 1999

PROGRAM	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
1 HOME BUILDER PROGRAM	416,668	416,668	416,667	416,667	416,667	416,667	416,667	416,667	416,667	3,750,001
2 WATER HEATER REPLACEME	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
3 OIL REPLACEMENT	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
4 RES. ELECTRIC REPLACEMEN	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	540,000
5 COMM. ELECTRIC REPLACEM	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	108,000
6 SPACE CONDITIONING	8,333	8,333	8,334	8,333	8,333	8,334	8,333	8,333	8,334	75,000
7 COMMON COSTS	241,851	240,000	240,000	240,000	240,000	240,000	241,851	240,000	240,000	2,163,701
8 N/A	0	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0	0
11 N/A	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	763,850	761,999	762,001	762,000	762,000	762,001	763,851	762,000	762,001	6,861,702

SCHEDULE C - 2
PAGE 2 OF 2

COMPANY: Peoples Gas System

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
April 1999 Through December 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	3,750,001	0	0	0	3,750,001
2 WATER HEATER REPLACEMEN	0	0	0	0	180,000	0	0	0	180,000
3 OIL REPLACEMENT	0	0	0	0	45,000	0	0	0	45,000
4 RES. ELECTRIC REPLACEMEN	0	0	0	0	540,000	0	0	0	540,000
5 COMM. ELECTRIC REPLACEM	0	0	0	0	108,000	0	0	0	108,000
6 SPACE CONDITIONING	0	0	0	0	75,000	0	0	0	75,000
7 COMMON COSTS	0	434,546	9,000	1,350,000	0	187,500	13,500	169,155	2,163,701
8 N/A	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
11 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	434,546	9,000	1,350,000	4,698,001	187,500	13,500	169,155	6,861,702

SCHEDULE C - 3
PAGE 1 OF 5

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
April 1998 Through March 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	1,214,579	0	0	0	1,214,579
B. ESTIMATED	0	0	0	0	2,751,046	0	0	0	2,751,046
	0	0	0	0	3,965,625	0	0	0	3,965,625
2 WATER HEATER REPLACEMENT									
A. ACTUAL	0	0	0	0	44,575	0	0	0	44,575
B. ESTIMATED	0	0	0	0	190,664	0	0	0	190,664
	0	0	0	0	235,239	0	0	0	235,239
3 OIL REPLACEMENT									
A. ACTUAL	0	0	0	0	8,800	0	0	0	8,800
B. ESTIMATED	0	0	0	0	37,573	0	0	0	37,573
	0	0	0	0	46,373	0	0	0	46,373
4 RES. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	151,565	0	0	0	151,565
B. ESTIMATED	0	0	0	0	751,912	0	0	0	751,912
	0	0	0	0	903,477	0	0	0	903,477
5 COMM. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	38,525	0	0	0	38,525
B. ESTIMATED	0	0	0	0	85,436	0	0	0	85,436
	0	0	0	0	123,961	0	0	0	123,961
6 SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	17,290	0	0	0	17,290
B. ESTIMATED	0	0	0	0	94,796	0	0	0	94,796
	0	0	0	0	112,086	0	0	0	112,086
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,386,761</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,386,761</u>

COMPANY: Peoples Gas System

SCHEDULE C - 3
PAGE 2 OF 5

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
April 1998 Through March 1999

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	5,386,761	0	0	0	5,386,761
7. COMMON COSTS									
A. ACTUAL	0	81,302	3,034	360	0	13,765	0	39,429	137,890
B. ESTIMATED	0	227,985	6,800	366,668	0	146,500	0	832,995	832,995
	0	309,287	9,834	367,028	0	160,265	0	124,471	970,885
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	309,287	9,834	367,028	5,386,761	160,265	0	124,471	6,357,646

COMPANY: Peoples Gas System

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 April 1998 Through March 1999

PROGRAM NAME	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
	1998	1998	1998	1998	1998	1998	1998	1998	1998	1999	1999	1999	
HOME BUILDER PROGRA	215,978	188,008	187,420	406,003	217,170	375,263	375,263	375,263	375,258	416,666	416,666	416,667	3,965,625
WATER HEATER REPLAC	15,300	13,800	6,900	5,675	2,900	32,667	32,667	32,667	32,663	20,000	20,000	20,000	235,239
OIL REPLACEMENT	2,310	1,650	2,200	660	1,980	5,644	5,644	5,644	5,641	5,000	5,000	5,000	46,373
RES. ELECTRIC REPLAC	36,485	25,585	46,140	28,783	14,572	142,979	142,979	142,979	142,975	60,000	60,000	60,000	903,477
COMM. ELECTRIC REPLA	3,000	6,745	5,742	9,181	13,857	12,358	12,358	12,358	12,362	12,000	12,000	12,000	123,961
SPACE CONDITIONING	0	490	900	15,000	900	17,448	17,448	17,448	17,452	8,333	8,333	8,334	112,086
COMMON COSTS	22,678	23,495	23,263	37,640	30,814	93,742	93,742	93,742	93,742	152,676	152,676	152,676	970,885
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	295,751	259,773	272,565	502,942	282,193	680,101	680,101	680,101	680,093	674,675	674,675	674,677	6,357,646

SCHEDULE C - 3
PAGE 4 OF 5

ENERGY CONSERVATION ADJUSTMENT
April 1998 Through March 1999

	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEP 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	C
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	C
b. CONSERV. ADJ. REV.	(577,017)	(458,281)	(405,300)	(371,031)	(358,013)	(351,678)	(360,525)	(485,248)	(590,537)	(804,000)	(762,557)	(645,901)	(6,170,088)
c.	0	0	0	0	0	0	0	0	0	0	0	0	C
CONSERV. ADJ REV. (NET OF REV. TAXES)	(577,017)	(458,281)	(405,300)	(371,031)	(358,013)	(351,678)	(360,525)	(485,248)	(590,537)	(804,000)	(762,557)	(645,901)	(6,170,088)
TOTAL REVENUES	(577,017)	(458,281)	(405,300)	(371,031)	(358,013)	(351,678)	(360,525)	(485,248)	(590,537)	(804,000)	(762,557)	(645,901)	(6,170,088)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(127,290)	(1,527,481)
CONSERVATION REVS. APPLIC. TO PERIOD	(704,307)	(585,571)	(532,590)	(498,321)	(485,303)	(478,968)	(487,815)	(612,538)	(717,827)	(931,290)	(889,847)	(773,191)	(7,697,569)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	295,751	259,773	272,565	502,942	282,193	680,101	680,101	680,101	680,093	674,675	674,675	674,677	6,357,646
TRUE-UP THIS PERIOD	(408,556)	(325,798)	(260,025)	4,621	(203,110)	201,133	192,286	67,563	(37,734)	(256,616)	(215,173)	(98,515)	(1,339,924)
INTEREST THIS PERIOD (C-3,PAGE 5)	(77)	(88)	(96)	(93)	(89)	(83)	(68)	(57)	(51)	(52)	(56)	(58)	(867)
TRUE-UP & INT. BEG. OF MONTH	(1,527,481)	(1,808,824)	(2,007,420)	(2,140,251)	(2,008,433)	(2,084,342)	(1,756,002)	(1,436,494)	(1,241,698)	(1,152,192)	(1,281,570)	(1,369,508)	
PRIOR TRUE-UP COLLECT.(REFUND.)	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	127,290	
END OF PERIOD TOTAL NET TRUE-UP	<u>(1,808,824)</u>	<u>(2,007,420)</u>	<u>(2,140,251)</u>	<u>(2,008,433)</u>	<u>(2,084,342)</u>	<u>(1,756,002)</u>	<u>(1,436,494)</u>	<u>(1,241,698)</u>	<u>(1,152,192)</u>	<u>(1,281,570)</u>	<u>(1,369,508)</u>	<u>(1,340,791)</u>	<u>(1,340,791)</u>

SCHEDULE C-3
PAGE 5 OF 5

COMPANY: Peoples Gas System

CALCULATION OF TRUE-UP AND INTEREST PROVISION
April 1998 Through March 1999

	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEP 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(1,527,481)	(1,808,824)	(2,007,420)	(2,140,251)	(2,008,433)	(2,084,342)	(1,756,002)	(1,436,494)	(1,241,698)	(1,152,192)	(1,281,570)	(1,369,508)	(1,369,508)
END. T-UP BEFORE INT.	(1,808,747)	(2,007,332)	(2,140,155)	(2,008,340)	(2,084,253)	(1,755,919)	(1,436,426)	(1,241,641)	(1,152,142)	(1,281,518)	(1,369,452)	(1,340,733)	(1,339,924)
TOT. BEG. & END. T-UP	(3,336,228)	(3,816,155)	(4,147,575)	(4,148,592)	(4,092,687)	(3,840,261)	(3,192,428)	(2,678,134)	(2,393,839)	(2,433,710)	(2,651,022)	(2,710,241)	(2,709,432)
AVERAGE TRUE-UP	(1,668,114)	(1,908,078)	(2,073,787)	(2,074,296)	(2,046,343)	(1,920,131)	(1,596,214)	(1,339,067)	(1,196,920)	(1,216,855)	(1,325,511)	(1,355,121)	(1,354,716)
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.0553	0.0550	0.0560	0.0556	0.0520	0.0522	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.0550	0.0560	0.0556	0.0520	0.0522	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
TOTAL	0.1103	0.1110	0.1116	0.1076	0.1042	0.1032	0.1020	0.1020	0.1020	0.1020	0.1020	0.1020	
AVG INTEREST RATE	0.0552	0.0555	0.0558	0.0538	0.0521	0.0516	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
MONTHLY AVG. RATE	0.0046	0.0046	0.0047	0.0045	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
INTEREST PROVISION	(\$77)	(\$88)	(\$96)	(\$93)	(\$89)	(\$83)	(\$68)	(\$57)	(\$51)	(\$52)	(\$56)	(\$58)	(\$867)

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: **Home Builder Program**

Description:
This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

Program Goals:
Projected new home connections for this period: 7,019
Actual connections to date this period: 1,813
Percent of goal for the two (2) months: 25.8%

Program Fiscal Expenditures: Estimated for period: \$3,965,625
Actual to date: \$1,214,579

Exhibit No. _____
Docket No. 980002-EG
Peoples Gas System
(VIK - 3)

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: Residential Conservation Service Program

Description: This Program is designed to assist our residential customers in conserving all forms of energy consumption. Peoples' has had contractual arrangements with private contractors to perform Class "A", Walk-Through and Mini-Walk-Through audits

Program Go Audit requests anticipated this period: 0

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

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: Water Heater Load Retention Program

Description: This Program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Go	Projected connections for this period:	2,352
	Actual connections to date this period:	446
	Percent of goal for the two (2) months:	18.9%
Program Fiscal Expenditures:	Estimated for period:	\$235,239
	Actual to date:	\$44,575

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: **Replacement of Oil Heating Program**

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

Program Go	Projected new connections for this period:	141
	Actual connections to date this period:	27
	Percent of goal for the two (2) months:	19.0%
Program Fiscal Expenditures:	Estimated for period:	\$46,373
	Actual to date:	\$8,800

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: Small Package Cogeneration Program

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: Audit requests, or workshops this period: 0

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

Peoples Gas System

Reporting:

APRIL 1988 THROUGH MARCH 1989

Name:

Commercial Electric Replacement Program

Description: This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment

Program Goals:

Projected KWD displaced this period:

3,099

Actual KWD displaced this period:

963

Percent of goal for the two (2) months:

31.1%

Program Fiscal Expenditures:

Estimated for period:

\$123,961

Actual to date:

\$38,525

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Residential Electric Replacement Program

Description:

This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

Program Goals:

Projected new connections for this period:	3,750
Actual connections to date this period:	505
Percent of goal for the two (2) months:	13.5%

Program Fiscal Expenditures:

Estimated for period:	\$903,477
Actual to date:	\$151,565

Exhibit No. _____
Docket No. 980002-EG
Peoples Gas System
(VIK - 3)

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:

\$970,885

Actual to date:

\$137,890

Percent of budget for two (2) months:

14.2%

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Gas Space Conditioning Program

Description:

This Program is designed to convert on-train 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 Goals:

Projected connections this period: (tons)	747
Actual connections this period: (tons)	115
Percent of goal for the two (2) months:	15.4%

Program Fiscal Expenditures:

Estimated for period:	\$112,086
Actual to date:	\$17,290

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 MONTHS: April 1999 Through December 1999

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) 924,373
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) (485,621)
3. TOTAL (LINE 1 AND LINE 2) 438,751

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL			ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
					CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES				
RESIDENTIAL	253,512	5,430,198	1,774,584	1,914,145	3,688,729	266,190	7.21631%	0.04902	1.00503	0.04927	
COMMERCIAL	20,869	7,779,624	208,690	1,274,147	1,482,837	107,006	7.21631%	0.01375	1.00503	0.01382	
COMM. LGE VOL I	317	3,094,718	15,850	428,309	444,159	32,052	7.21631%	0.01036	1.00503	0.01041	
INDUSTRIAL	9	520,000	450	71,968	72,418	5,226	7.21631%	0.01005	1.00503	0.01010	
FIRM TRANSPORTATION	90	3,524,000	9,000	171,865	180,865	13,052	7.21631%	0.00370	1.00503	0.00372	
SPECIAL CONTRACT	9	6,511,000	210,987	0	210,987	15,225	7.21631%	0.00234	1.00503	0.00235	
TOTAL	274,806	26,859,540	2,219,561	3,860,434	6,079,995	438,751					

SCHEDULE C-2
PAGE 1 OF 2

COMPANY: Peoples Gas System

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
April 1999 Through December 1999

PROGRAM	APR 1999	MAY 1999	JUN 1999	JUL 1999	AUG 1999	SEP 1999	OCT 1999	NOV 1999	DEC 1999	TOTAL
1 HOME BUILDER PROGRAM	28,250	28,250	28,250	28,250	28,250	28,250	28,250	28,250	28,250	254,250
2 ENERGY SAVINGS PAYBACK	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,080	2,080	18,748
3 WATER HEATER RETENTION	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	29,250
4 RES. ELECTRIC REPLACEMENT	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	101,250
5 COMM. ELECTRIC REPLACEMENT	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,663	41,999
6 SPACE CONDITIONING	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
7 COMMON COSTS	50,708	50,708	50,708	50,708	50,708	50,708	50,708	50,708	50,708	458,378
8 N/A	0	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0	0
11 N/A	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	<u>102,709</u>	<u>102,709</u>	<u>102,709</u>	<u>102,709</u>	<u>102,709</u>	<u>102,709</u>	<u>102,709</u>	<u>102,705</u>	<u>102,701</u>	<u>924,373</u>

SCHEDULE C - 2
 PAGE 2 OF 2

COMPANY: Peoples Gas System

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 April 1999 Through December 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM	0	0	0	0	254,250	0	0	0	254,250
2 ENERGY SAVINGS PAYBACK	0	0	0	0	18,748	0	0	0	18,748
3 WATER HEATER RETENTION	0	0	0	0	29,250	0	0	0	29,250
4 RES. ELECTRIC REPLACEMEN	0	0	0	0	101,250	0	0	0	101,250
5 COMM. ELECTRIC REPLACEM	0	0	0	0	41,999	0	0	0	41,999
6 SPACE CONDITIONING	0	0	0	0	22,500	0	0	0	22,500
7 COMMON COSTS	0	71,252	0	352,499	0	32,825	0	0	456,376
8 N/A	0	0	0	0	0	0	0	0	0
9 N/A	0	0	0	0	0	0	0	0	0
10 N/A	0	0	0	0	0	0	0	0	0
11 N/A	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	0	71,252	0	352,499	467,997	32,825	0	0	924,373

COMPANY: Peoples Gas System

SCHEDULE C - 3
PAGE 1 OF 5

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
April 1998 Through March 1999

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 HOME BUILDER PROGRAM									
A. ACTUAL	0	0	0	0	76,150	0	0	0	76,150
B. ESTIMATED	0	0	0	0	113,200	0	0	0	113,200
	0	0	0	0	189,350	0	0	0	189,350
2 ENERGY SAVINGS PAYBACK									
A. ACTUAL	0	0	0	0	7,950	0	0	0	7,950
B. ESTIMATED	0	0	0	0	14,102	0	0	0	14,102
	0	0	0	0	22,052	0	0	0	22,052
3 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	13,500	0	0	0	13,500
B. ESTIMATED	0	0	0	0	19,450	0	0	0	19,450
	0	0	0	0	32,950	0	0	0	32,950
4 RES. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	25,300	0	0	0	25,300
B. ESTIMATED	0	0	0	0	53,200	0	0	0	53,200
	0	0	0	0	78,500	0	0	0	78,500
5 COMM. ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	6,776	0	0	0	6,776
B. ESTIMATED	0	0	0	0	17,721	0	0	0	17,721
	0	0	0	0	24,497	0	0	0	24,497
6 SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	7,500	0	0	0	7,500
	0	0	0	0	7,500	0	0	0	7,500
SUB-TOTAL	0	0	0	0	354,848	0	0	0	354,848

COMPANY: Peoples Gas System

SCHEDULE C - 3
 PAGE 2 OF 5

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 April 1998 Through March 1999

PROGRAM NAME	CAPITAL INVEST	PYROLL & BEMEFTS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	354,848	0	0	0	354,848
7. COMMON COSTS									
A. ACTUAL	0	19,795	417	36,672	0	0	0	3,860	60,744
B. ESTIMATED	0	34,495	0	103,419	0	10,875	0	0	151,369
	0	54,290	417	140,091	0	10,875	0	6,440	212,113
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	54,290	417	140,091	354,848	10,875	0	6,440	566,961

COMPANY: Peoples Gas System

CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 April 1998 Through March 1999

PROGRAM NAME	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	1999	FEB	MAR	TOTAL
	1998	1998	1998	1998	1998	1998	1998	1998	1998	1999	1999	1999	
HOME BUILDER PROGRA	26,450	6,900	10,900	20,500	11,400	16,350	7,500	2,300	2,300	28,250	28,250	28,250	189,350
ENERGY SAVINGS PAYBA	950	2,250	1,350	1,900	1,500	2,900	1,150	1,900	1,900	2,084	2,084	2,084	22,052
WATER HEATER RETENTI	1,950	3,800	2,050	1,250	4,450	2,700	2,000	2,500	2,500	3,250	3,250	3,250	32,950
RES. ELECTRIC REPLA	5,600	5,150	4,450	5,050	5,050	3,700	3,150	6,300	6,300	11,250	11,250	11,250	78,500
COMM. ELECTRIC REPLA	0	2,130	4,321	0	325	270	450	1,500	1,500	4,667	4,667	4,667	24,497
SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	2,500	2,500	2,500	7,500
COMMON COSTS	15,493	8,021	16,432	17,448	3,351	33,253	13,881	13,556	13,556	25,708	25,708	25,707	212,113
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	50,443	28,251	39,502	46,148	26,076	59,173	28,131	28,056	28,056	77,709	77,709	77,708	566,961

COMPANY: Peoples Gas System

SCHEDULE C - 3
PAGE 4 OF 5

ENERGY CONSERVATION ADJUSTMENT
April 1998 Through March 1999

	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEP 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b. CONSERV. ADJ. REV.	(59,617)	(43,269)	(36,165)	(32,314)	(33,229)	(28,379)	(38,307)	(50,992)	(77,754)	(117,859)	(99,395)	(77,846)	(695,126)
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(59,617)	(43,269)	(36,165)	(32,314)	(33,229)	(28,379)	(38,307)	(50,992)	(77,754)	(117,859)	(99,395)	(77,846)	(695,126)
TOTAL REVENUES	(59,617)	(43,269)	(36,165)	(32,314)	(33,229)	(28,379)	(38,307)	(50,992)	(77,754)	(117,859)	(99,395)	(77,846)	(695,126)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(29,771)	(357,250)
CONSERVATION REVS. APPLIC. TO PERIOD	(89,388)	(73,040)	(65,936)	(62,085)	(63,000)	(58,150)	(68,078)	(80,763)	(107,525)	(147,630)	(129,166)	(107,617)	(1,052,376)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	50,443	28,251	39,502	46,148	26,076	59,173	28,131	28,056	28,056	77,709	77,709	77,708	566,961
TRUE-UP THIS PERIOD	(38,945)	(44,789)	(26,434)	(15,937)	(36,924)	1,023	(39,947)	(52,707)	(79,469)	(69,921)	(51,457)	(29,909)	(485,415)
INTEREST THIS PERIOD (C-3,PAGE 5)	(17)	(17)	(18)	(17)	(16)	(15)	(15)	(15)	(17)	(19)	(20)	(21)	(206)
TRUE-UP & INT. BEG. OF MONTH	(357,250)	(366,441)	(381,476)	(378,157)	(364,340)	(371,509)	(340,730)	(350,921)	(373,873)	(423,588)	(463,757)	(485,463)	
PRIOR TRUE-UP COLLECT/(REFUND.)	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	29,771	
END OF PERIOD TOTAL NET TRUE-UP	(366,441)	(381,476)	(378,157)	(364,340)	(371,509)	(340,730)	(350,921)	(373,873)	(423,588)	(463,757)	(485,463)	(485,621)	(485,621)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
April 1998 Through March 1999

	APR 1998	MAY 1998	JUN 1998	JUL 1998	AUG 1998	SEP 1998	OCT 1998	NOV 1998	DEC 1998	JAN 1999	FEB 1999	MAR 1999	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(357,250)	(366,441)	(381,476)	(378,157)	(364,340)	(371,509)	(340,730)	(350,921)	(373,873)	(423,588)	(463,757)	(485,463)	(485,463)
END. T-UP BEFORE INT.	(366,424)	(381,459)	(378,139)	(364,323)	(371,493)	(340,715)	(350,907)	(373,857)	(423,571)	(463,738)	(485,443)	(485,601)	(485,415)
TOT. BEG. & END. T-UP	(723,674)	(747,900)	(759,616)	(742,480)	(735,832)	(712,223)	(691,637)	(724,779)	(797,444)	(887,325)	(949,199)	(971,063)	(970,878)
AVERAGE TRUE-UP	(361,837)	(373,950)	(379,808)	(371,240)	(367,916)	(356,112)	(345,818)	(362,389)	(398,722)	(443,663)	(474,600)	(485,532)	(485,439)
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.0553	0.0550	0.0560	0.0556	0.0520	0.0522	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.0550	0.0560	0.0556	0.0520	0.0522	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
TOTAL	0.1103	0.1110	0.1116	0.1076	0.1042	0.1032	0.1020	0.1020	0.1020	0.1020	0.1020	0.1020	
AVG INTEREST RATE	0.0552	0.0555	0.0558	0.0538	0.0521	0.0516	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	
MONTHLY AVG. RATE	0.0046	0.0046	0.0047	0.0045	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
INTEREST PROVISION	(\$17)	(\$17)	(\$18)	(\$17)	(\$16)	(\$15)	(\$15)	(\$15)	(\$17)	(\$19)	(\$20)	(\$21)	(\$206)

Peoples Gas System

Reporting:
APRIL 1988 THROUGH MARCH 1989

Name: **Home Builder Program**

Description:
This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

Program Goals:
Projected new home connections for this period: **344**
Actual connections to date this period: **114**
Percent of goal for the two (2) months: **33.0%**

Program Fiscal Expenditures: Estimated for period: **\$189,350**
Actual to date: **\$76,150**

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: **ENERGY SAVINGS PAYBACK (ESP) PROGRAM**

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

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

Program Goals:
Projected Installations for the period: 33

Program Fiscal Expenditures: Estimated for period: \$22,052
Actual to date: \$7,950

Peoples Gas System

Reporting:
APRIL 1998 THROUGH MARCH 1999

Name: Water Heater Load Retention Program

Description: This Program is designed to discourage current natural gas customers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Go	Projected connections for this period:	330
	Actual connections to date this period:	135
	Percent of goal for the two (2) months:	41.0%
Program Fiscal Expenditures:	Estimated for period:	\$32,950
	Actual to date:	\$13,500

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Commercial Electric Replacement Program

Description: This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment

Program Goals:

Projected KWD displaced this period:	612
Actual KWD displaced this period:	169
Percent of goal for the two (2) months:	27.7%

Program Fiscal Expenditures:

Estimated for period:	\$24,497
Actual to date:	\$6,776

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Residential Electric & Oil Replacement Program

Description:

This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

Natural Gas Water Heat	\$250
Natural Gas Furnace	\$500
Natural Gas Range	\$150
Natural Gas Dryer	\$150
Natural Gas Space Heat	\$150

Program Goals:

Projected new connections for this period:

326

Actual connections to date this period:

84

Percent of goal for the two (2) months:

25.9%

Program Fiscal Expenditures:

Estimated for period:

\$78,500

Actual to date:

\$25,300

Exhibit No. _____
Docket No. 980002-EG
Peoples Gas System
(VIK - 4)

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Energy Conservation Common Costs

Program Fiscal Expenditures:

Estimated for period:

\$212,113

Actual to date:

\$60,744

Percent of budget for two (2) months:

28.6%

Peoples Gas System

Reporting:

APRIL 1998 THROUGH MARCH 1999

Name:

Gas Space Conditioning Program

Description:

This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Goals:

Projected connections this period: (tons)	50
Actual connections this period: (tons)	0
Percent of goal for the two (2) months:	0.0%

Program Fiscal Expenditures:

Estimated for period:	\$7,500
Actual to date:	\$0