

ORIGINAL

PEOPLES GAS SYSTEM

NATURAL GAS

CONSERVATION COST RECOVERY

TRUE-UP

JANUARY 2003 - DECEMBER 2003

DOCKET NO. 040004-GU

DOCUMENT NUMBER - DATE

05021 APR 30 8

FPSC-COMMISSION CLERK

SCHEDULE CT-1

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

ADJUSTED NET TRUE-UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPAL	465,822	
INTEREST	<u>-1,011</u>	464,811

LESS PROJECTED TRUE-UP

PRINCIPAL	738,761	
INTEREST	<u>-912</u>	<u>737,849</u>

ADJUSTED NET TRUE-UP		<u>-273,038</u>
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() REFLECTS OVER-RECOVERY

COMPANY:

Peoples Gas System
Except West Florida Region
EXHIBIT NO. _____
DOCKET NO. 040004-GU
KMF-1

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	426,507	420,494	6,013
MATERIALS & SUPPLIES	3,105	7,061	-3,956
ADVERTISING	868,437	875,274	-6,837
INCENTIVES	7,654,035	7,608,148	45,887
OUTSIDE SERVICES	1,009	3,593	-2,584
VEHICLES	0	0	0
OTHER	<u>837</u>	<u>3,898</u>	<u>-3,061</u>
SUB-TOTAL	8,953,930	8,918,468	35,462
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	8,953,930	8,918,468	35,462
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,488,108	0	-8,488,108
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	465,822	8,918,468	-8,452,646
INTEREST PROVISION	<u>-1,011</u>	<u>0</u>	<u>-1,011</u>
END OF PERIOD TRUE-UP	<u>464,811</u>	<u>8,918,468</u>	<u>-8,453,657</u>

() REFLECTS OVER-RECOVERY
*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 040004-GU
KMF-1

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	7,010,335	0	0	0	7,010,335
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	2,835	0	0	0	2,835
PROGRAM 2: WATER HEATER LOAD RET	0	0	0	226,800	0	0	0	226,800
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	68,212	0	0	0	68,212
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	277,103	0	0	0	277,103
PROGRAM 6: COMMON COSTS	426,507	3,105	868,437	0	1,009	0	837	1,299,895
PROGRAM 7: GAS SPACE COND	0	0	0	63,750	0	0	0	63,750
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	5,000	0	0	0	5,000
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	426,507	3,105	868,437	7,654,035	1,009	0	837	8,953,930

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COMPANY: Peoples Gas System
 Except West Florida Region
 Exhibit No _____
 Docket No. 040004-GU
 KMF-1

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
 JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	116,860	0	0	0	116,860
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	-3,002	0	0	0	-3,002
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-1,600	0	0	0	-1,600
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-26,756	0	0	0	-26,756
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-46,490	0	0	0	-46,490
PROGRAM 6: COMMON COSTS	6,013	-3,956	-6,837	0	-2,584	0	-3,061	-10,425
PROGRAM 7: GAS SPACE COND	0	0	0	20,207	0	0	0	20,207
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	-13,332	0	0	0	-13,332
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	6,013	-3,956	-6,837	45,887	-2,584	0	-3,061	35,462

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
PROGRAM 1	525,860	477,380	474,860	653,775	914,655	690,543	571,262	560,805	523,615	672,530	486,025	459,025	7,010,335
PROGRAM 2	660	660	330	0	0	0	330	525	0	0	330	0	2,835
PROGRAM 3	25,900	16,100	16,500	24,600	12,400	24,300	17,000	14,800	16,600	17,300	19,600	21,700	226,800
PROGRAM 4	9,440	6,840	6,152	9,200	900	1,840	9,480	2,060	2,500	8,880	1,760	9,160	68,212
PROGRAM 5	28,158	25,545	27,753	24,813	13,288	26,058	26,510	19,088	24,498	17,605	28,660	15,130	277,103
PROGRAM 6	63,961	159,017	97,173	118,731	98,048	47,288	92,233	117,069	53,764	129,028	124,265	199,319	1,299,895
PROGRAM 7	0	4,500	9,375	0	3,000	0	0	0	36,000	0	0	10,875	63,750
PROGRAM 8	0	0	0	0	0	5,000	0	0	0	0	0	0	5,000
PROGRAM 9	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	653,978	690,042	632,143	831,118	1,042,291	795,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	653,978	690,042	632,143	831,118	1,042,291	795,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

CONSERVATION REVENUES	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
1 RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV ADJ REVS	<u>-1,224,726</u>	<u>-1,150,491</u>	<u>-821,511</u>	<u>-713,343</u>	<u>-644,000</u>	<u>-585,526</u>	<u>-562,716</u>	<u>-571,665</u>	<u>-563,674</u>	<u>-559,734</u>	<u>-617,297</u>	<u>-854,357</u>	<u>-8,869,038</u>
4 TOTAL REVENUES	<u>-1,224,726</u>	<u>-1,150,491</u>	<u>-821,511</u>	<u>-713,343</u>	<u>-644,000</u>	<u>-585,526</u>	<u>-562,716</u>	<u>-571,665</u>	<u>-563,674</u>	<u>-559,734</u>	<u>-617,297</u>	<u>-854,357</u>	<u>-8,869,038</u>
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>31,744</u>	<u>380,930</u>
6 CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-1,192,981</u>	<u>-1,118,746</u>	<u>-789,766</u>	<u>-681,599</u>	<u>-612,256</u>	<u>-553,782</u>	<u>-530,972</u>	<u>-539,921</u>	<u>-531,929</u>	<u>-527,990</u>	<u>-585,552</u>	<u>-822,613</u>	<u>-8,488,108</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	653,978	690,042	632,143	831,118	1,042,291	795,028	716,815	714,347	656,977	845,343	660,640	715,209	8,953,930
8 TRUE-UP THIS PERIOD	-539,003	-428,704	-157,624	149,519	430,035	241,247	185,843	174,426	125,047	317,353	75,088	-107,404	465,822
9 INTER. PROV THIS PERIOD (FROM CT-3, PAGE 3)	102	-441	-755	-772	-525	-204	-34	96	200	366	497	458	-1,011
10 TRUE-UP & INTER. PROV BEGINNING OF MONTH	380,930	-189,715	-650,605	-840,728	-723,724	-325,958	-116,659	37,406	180,183	273,686	559,661	603,501	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	<u>-31,744</u>	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>-189,715</u>	<u>-650,605</u>	<u>-840,728</u>	<u>-723,724</u>	<u>-325,958</u>	<u>-116,659</u>	<u>37,406</u>	<u>180,183</u>	<u>273,686</u>	<u>559,661</u>	<u>603,501</u>	<u>464,811</u>	<u>464,811</u>

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	380,930	-189,715	-650,605	-840,728	-723,724	-325,958	-116,659	37,406	180,183	273,686	559,661	603,501	
2. ENDING TRUE-UP BEFORE INTEREST	-189,817	-650,164	-839,973	-722,952	-325,433	-116,455	37,439	180,087	273,486	559,295	603,005	464,353	
3. TOTAL BEGINNING & ENDING TRUE-UP	191,113	-839,879	-1,490,578	-1,563,680	-1,049,158	-442,413	-79,220	217,493	453,669	832,981	1,162,666	1,067,854	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	95,556	-419,940	-745,289	-781,840	-524,579	-221,207	-39,610	108,746	226,834	416,491	581,333	533,927	
5. INTER RATE - 1ST DAY OF REPORTING MONTH	1 290%	1 270%	1 250%	1 180%	1 190%	1 210%	1 000%	1.050%	1 060%	1 060%	1 050%	1 000%	
6. INTER RATE - 1ST DAY OF SUBSEQUENT MONTH	1 270%	1 250%	1 180%	1 190%	1 210%	1 000%	1 050%	1 060%	1 060%	1 050%	1 000%	1 060%	
7. TOTAL (SUM LINES 5 & 6)	2 560%	2 520%	2 430%	2 370%	2 400%	2 210%	2 050%	2 110%	2 120%	2 110%	2 050%	2 060%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1 280%	1 260%	1 215%	1 185%	1 200%	1 105%	1 025%	1 055%	1 060%	1 055%	1 025%	1 030%	
9. MONTHLY AVG INTEREST RATE	0 107%	0.105%	0 101%	0.099%	0 100%	0 092%	0 085%	0 088%	0 088%	0 088%	0 085%	0 086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	102	-441	-755	-772	-525	-204	-34	96	200	366	497	458	-1,011

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RESIDENTIAL HM BUILDER

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:	Water Heater	\$250
	Furnace	\$250
	Range	\$85
	Dryer	\$85

Program Summary

New Home Goal:	10,289
New Homes Connected:	<u>10,463</u>
Variance:	-174
Percent of Goal:	101.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$6,893,475
Actual Cost:	\$7,010,335
Variance:	-\$116,860

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: OIL HEAT REPLACEMENT

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

Program Allowance: Energy Efficient Gas Furnaces \$330

Program Summary

Goals:	18
Actual:	9
Variance:	9
Percent of Goal:	48.6%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$5,837
Actual Cost:	\$2,835
Variance:	\$3,002

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: Water Heater Load Retention

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating
The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances

Program Allowances: Water Heater \$100

Program Summary

Goals:	2,284
Actual:	2,268
Variance:	16
Percent of Goal:	99.3%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$228,400
Actual Cost:	\$226,800
Variance:	\$1,600

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMM ELECTRIC REPLACEMENT

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 each kW Displaced **\$40**

Program Summary

Goals:	(Projected kW Displaced)	2374
Actual:		1,705
Variance:		669
Percent of Goal:		71.8%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$94,968
Actual Cost:	\$68,212
Variance:	\$26,756

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RES ELECTRIC REPLACEMENT

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

Water Heater	\$440
Furnace	\$440
Range	\$75
Dryer	\$75
Space Heating	\$65

Program Summary

Goals:	564
Actual:	483
Variance:	81
Percent of Goal:	85.6%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$323,593
Actual Cost:	\$277,103
Variance:	\$46,490

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,310,320
Actual Cost:	\$1,299,895
Variance:	\$10,425

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: GAS SPACE COND.

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 / KWD consumption.

Program Allowance: \$150 / ton

Program Summary

Program Goal:	290
Program Accomplishments:	425
Variance:	-135
Percent of Goal	146.4%

Conservation Cost Variance - Actual vs Projected

Projected Cost	\$43,543
Actual Cost	\$63,750
Variance:	-\$20,207

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: SMALL PACKAGE COGEN

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

Program Summary:

kW Deferred	\$150 / kW
Feasibility Study	\$5,000

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$18,332
Actual Cost:	\$5,000
Variance:	\$13,332

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
WEST FLORIDA REGION
Exhibit No. _____
Docket No. 040004-GU
KMF-2

ADJUSTED NET TRUE-UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPAL	961,430	
INTEREST	<u>7,082</u>	968,511

LESS PROJECTED TRUE-UP

PRINCIPAL	914,950	
INTEREST	<u>6,966</u>	<u>921,916</u>

ADJUSTED NET TRUE-UP		<u>46,595</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	69,909	76,262	-6,353
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	142,598	145,417	-2,819
INCENTIVES	2,479,191	2,327,383	151,808
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>1,667</u>	<u>-1,667</u>
SUB-TOTAL	2,691,698	2,550,729	140,969
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	2,691,698	2,550,729	140,969
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-1,730,268	0	-1,730,268
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	961,430	2,550,729	-1,589,299
INTEREST PROVISION	<u>7,082</u>	<u>0</u>	<u>7,082</u>
END OF PERIOD TRUE-UP	<u>968,511</u>	<u>2,550,729</u>	<u>-1,582,218</u>

() REFLECTS OVER-RECOVERY
*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

<u>PROGRAM NAME</u>	<u>PAYROLL & BENEFITS</u>	<u>MATERIALS & SUPPLIES</u>	<u>ADVERTIS.</u>	<u>INCENTIV.</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	2,406,050	0	0	0	2,406,050
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	7,050	0	0	0	7,050
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	34,900	0	0	0	34,900
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	6,141	0	0	0	6,141
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	25,050	0	0	0	25,050
PROGRAM 6: COMMON COSTS	69,909	0	142,598	0	0	0	0	212,507
PROGRAM 7: GAS SPACE COND	0	0	0	0	0	0	0	0
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	69,909	0	142,598	2,479,191	0	0	0	2,691,698

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CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	185,634	0	0	0	185,634
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	-3,750	0	0	0	-3,750
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-832	0	0	0	-832
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-6,262	0	0	0	-6,262
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-17,982	0	0	0	-17,982
PROGRAM 6: COMMON COSTS	-6,353	0	-2,819	0	0	0	-1,667	-10,839
PROGRAM 7: GAS SPACE COND	0	0	0	-5,000	0	0	0	-5,000
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	-6,353	0	-2,819	151,808	0	0	-1,667	140,969

() REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
PROGRAM 1	336,400	215,000	168,100	242,100	248,550	136,950	129,500	287,600	121,500	194,100	211,200	115,050	2,406,050
PROGRAM 2	1,050	350	800	1,150	350	750	350	1,000	300	350	450	150	7,050
PROGRAM 3	5,000	2,000	3,600	2,600	2,100	3,400	1,300	3,700	3,200	1,000	5,700	1,300	34,900
PROGRAM 4	0	540	621	1,200	300	1,410	0	0	720	0	0	1,350	6,141
PROGRAM 5	3,100	3,250	3,750	3,950	600	1,150	1,950	1,950	700	1,300	1,750	1,600	25,050
PROGRAM 6	9,288	24,129	12,018	19,468	20,148	7,972	13,603	15,347	12,079	32,314	42,586	3,556	212,507
PROGRAM 7	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,691,698
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,691,698

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

CONSERVATION REVENUES	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
1 RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2 OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3 CONSERV / DJ REVS	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-122,931	-130,911	-113,789	-199,977	-2,260,342
4 TOTAL REVENUES	-391,512	-350,585	-202,779	-152,448	-226,932	-121,645	-128,553	-118,280	-122,931	-130,911	-113,789	-199,977	-2,260,342
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	44,173	530,074
6 CONSERVATION REVS APPLICABLE TO THE PERIOD	-347,339	-306,412	-158,606	-108,275	-182,759	-77,472	-84,380	-74,107	-78,759	-86,738	-69,616	-155,805	-1,730,258
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	354,838	245,269	188,889	270,468	272,048	151,632	146,703	309,597	138,499	229,064	261,686	123,006	2,691,698
8 TRUE-UP THIS PERIOD	7,498	-61,143	30,282	162,193	89,289	74,160	62,322	235,490	59,740	142,327	192,070	-32,799	961,430
9 INTER PROV THIS PERIOD (FROM CT-3, PAGE 3)	546	463	387	429	517	511	495	602	697	744	828	864	7,082
10 TRUE-UP & INTER PROV BEGINNING OF MONTH	530,074	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	-44,173	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	968,511	968,511

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEPT 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
1. BEGINNING TRUE-UP	530,074	493,945	389,093	375,589	494,038	539,671	570,169	588,813	780,732	796,996	895,894	1,044,619	
2. ENDING TRUE-UP BEFORE INTEREST	493,400	388,629	375,202	493,609	539,154	569,658	588,318	780,130	796,299	895,150	1,043,791	967,648	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,023,474	882,575	764,295	869,198	1,033,192	1,109,328	1,158,486	1,368,943	1,577,031	1,692,146	1,939,684	2,012,267	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	511,737	441,287	382,147	434,599	516,596	554,664	579,243	684,471	788,516	846,073	969,842	1,006,133	
5. INTER RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	1.060%	
7. TOTAL (SUM LINES 5 & 6)	2.560%	2.520%	2.430%	2.370%	2.400%	2.210%	2.050%	2.110%	2.120%	2.110%	2.050%	2.060%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.055%	1.060%	1.055%	1.025%	1.030%	
9. MONTHLY AVG INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	546	463	387	429	517	511	495	602	697	744	828	864	7,082

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RESIDENTIAL HM BUILDER

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:	Water Heater	\$250
	Furnace	\$150
	Range	\$100
	Dryer	\$100

Program Summary

New Home Goal:	3,701
New Homes Connected:	<u>4,010</u>
Variance:	-309
Percent of Goal:	108.4%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$2,220,416
Actual Cost:	\$2,406,050
Variance:	-\$185,634

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: ENERGY SAVINGS PAYBACK

Description: 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 in lieu of standard gas or electric appliances.

Installation allowance is \$50.00 per appliance

Conservation Cost Variance - Actual vs Projected

Projected Cost:	\$10,800
Actual Cost:	\$7,050
Variance:	\$3,750

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: WATER HEATER LOAD RET

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Water Heater \$100

Program Summary

Goals:	357
Actual:	349
Variance:	8
Percent of Goal:	97.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$35,732
Actual Cost:	\$34,900
Variance:	\$832

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMM ELECTRIC REPLACEMENT

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: kW Displaced \$30

Program Summary

Goals: kW Displaced 413

Actual: 205

Variance: 209

Percent of Goal: 49.5%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$12,403
Actual Cost:	\$6,141
Variance:	\$6,262

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: RES ELECTRIC REPLACEMENT

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

Water Heater	\$250
Furnace	\$500
Range	\$150
Dryer	\$150
Space Heat	\$150

Program Summary

Goals:	36
Actual:	21
Variance:	15
Percent of Goal:	58.2%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$43,032
Actual Cost:	\$25,050
Variance:	\$17,982

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Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$223,346
Actual Cost:	\$212,507
Variance:	\$10,839

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: GAS SPACE COND.

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 / KWD consumption.

Program Allowance: \$100 / ton

Program Summary

Program Goal:	50
Program Accomplishments:	0
Variance:	50
Percent of Goal:	0 0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$5,000
Actual Cost:	\$0
Variance:	\$5,000

Program Progress Report

Reporting Period: JANUARY 2003 THROUGH DECEMBER 2003

Name: MONITORING & RESEARCH

Program Summary:

Conservation Cost Variance - Actual vs. Projected

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