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November 19, 1996

ORIGINAL FILE COPY

HAND DELIVERY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

Re: Docket No. 960002-EG

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPUC") are the original and fifteen copies of the prefiled direct testimony and Exhibit MAP-4 of Michael A. Peacock. - 1235396 - 11/19/96

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

*William B. Willingham*  
William B. Willingham

ACK \_\_\_\_\_

AFA 2

APP \_\_\_\_\_ WBW/r1

CAF \_\_\_\_\_ cc: All Parties of Record

CCM \_\_\_\_\_

CLM \_\_\_\_\_

2 EAG has copy

MLM 1

MLL 3

CLM \_\_\_\_\_

PCM \_\_\_\_\_

SEC 1

WAS \_\_\_\_\_ Mar

WHI \_\_\_\_\_

RECEIVED & FILED

Blanca S. Bayo, Director  
Page 2  
November 19, 1996

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing prefiled direct testimony of Michael A. Peacock, submitted on behalf of Florida Public Utilities Company was furnished by U. S. Mail to the following, this 19th day of November, 1996:

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Page 3  
November 19, 1996

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By:   
WILLIAM B. WILLINGHAM, ESQ.

FILE COPY

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 960002-EG  
DETERMINATION OF FINAL CONSERVATION TRUE-UP AMOUNTS

Direct Testimony of  
Michael A. Peacock  
On Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Michael A. Peacock; my business address is P.O. Box 610, Marianna,
- 3 Florida, 32446.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Manager of
- 6 Customer Relations.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under recovery of the
- 9 Conservation Program costs for the period October 1, 1995 through
- 10 September 30, 1996 as compared to the true-up amounts previously
- 11 reported for that period which were based on two months actual and
- 12 ten months estimated data.
- 13 Q. Please state the actual amounts of over/under recovery of
- 14 Conservation Program costs for both divisions of Florida Public
- 15 Utilities Company for October 1, 1995 through September 30, 1996.
- 16 A. The Company over-recovered \$11,757 in the Marianna Division during
- 17 that period. In the Fernandina Beach Division we under-recovered
- 18 \$4,554. These amounts are substantiated on Schedule CT-3, page 2
- 19 of 3, Energy Conservation Adjustment.
- 20 Q. How do these amounts compare with the estimated true-up amounts
- 21 which were allowed by the Commission during the February 1996
- 22 hearing?

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 C&E \_\_\_\_\_  
 C&M \_\_\_\_\_  
 C&S \_\_\_\_\_  
 C&T \_\_\_\_\_  
 C&U \_\_\_\_\_  
 C&V \_\_\_\_\_  
 C&W \_\_\_\_\_  
 C&X \_\_\_\_\_  
 C&Y \_\_\_\_\_  
 C&Z \_\_\_\_\_

- 1 A. We had estimated that we would under-recover \$27,905 in Marianna. In  
2 Fernandina Beach we had estimated an under-recovery of \$12,927 as of  
3 September 30, 1996.
- 4 Q. Have you prepared any exhibits at this time?
- 5 A. We have prepared and pre-filed Schedules CT-1, CT-2, CT-3, CT-4,  
6 CT-5 and CT-6 (Composite Exhibit MAP-4.)
- 7 Q. Does this conclude your testimony?
- 8 A. Yes.

Disk #8 - PEACOCK.TEST

Exhibit No. \_\_\_\_\_  
Docket No. 960002-EG  
Florida Public Utilities Company  
(MAP - 4)

**True-up Calculations  
October 1995 - September 1996**

Schedule CT-1	True-up Calculations
Schedule CT-2	Analysis of Energy Conservation Program Costs
Schedule CT-3	Energy Conservation Adjustment Calculation of True-up and Interest Provision
Schedule CT-4	Schedule of Capital Investment, Depreciation & Return
Schedule CT-5	Reconciliation and Explanation of Differences Between Filing and PSC Audit Report
Schedule CT-6	Program Summaries

DOCUMENT # \_\_\_\_\_ DATE

12353 NOV 19 96

FPSC-RECORDS/REPORTING

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA  
 CONSERVATION ADJUSTMENT TRUE-UP  
 FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

SCHEDULE C1-1  
 PAGE 1 OF 1

1	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2	FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996		
3	END OF PERIOD NET TRUE-UP		
4	PRINCIPAL	(11,488)	
5	INTEREST	(269)	(11,757)
6	LESS PROJECTED TRUE-UP		
7	FEBRUARY 1996 (DATE) HEARINGS		
8	PRINCIPAL	27,264	
9	INTEREST	641	27,905
10	ADJUSTED END OF PERIOD TOTAL TRUE-UP		(39,662) *****

EXHIBIT NO \_\_\_\_\_  
 DOCKET NO 960002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (MAP-2)  
 PAGE 1 OF 30

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

	ACTUAL	PROJECTED*	DIFFERENCE
1 CAPITAL INVESTMENT			
2 PAYROLL BENEFITS	20,686	15,282	5,404
3 MATERIAL & SUPPLIES	571	502	69
4 OUTSIDE SERVICES	210	5,300	(5,090)
5 ADVERTISING	15,619	16,219	(600)
6 INCENTIVES	0	0	0
7 VEHICLES	5,488	4,712	776
8 TRAVEL	0	0	0
9 GENERAL & ADMIN	(1,719)	60	(1,779)
10 LEGAL SERVICES	(7,757)	226	(7,983)
11 OTHER	739	666	73
12 SUB-TOTAL	33,837	42,967	(9,130)
13 PROGRAM REVENUES			
14 TOTAL PROGRAM COSTS	33,837	42,967	(9,130)
15 LESS: PRIOR PERIOD TRUE-UP	(6,312)	(6,312)	0
16 AMOUNTS INCLUDED IN RATE BASE			
17 CONSERVATION ADJ REVENUE	51,637	22,015	29,622
18 ROUNDING ADJUSTMENT			
19 TRUE-UP BEFORE INTEREST	(11,488)	27,264	(38,752)
20 ADD INTEREST PROVISION	(269)	641	(910)
21 END OF PERIOD TRUE-UP	(11,757)	27,905	(39,662)

( ) REFLECTS OVERRECOVERY  
\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

EXHIBIT NO \_\_\_\_\_  
DOCKET NO. 960002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP 2)  
PAGE 2 OF 30



ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	TRAVEL	GENERAL & ADMIN	LEGAL SERVICES	OTHER*	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Audits	0	0	0	12,076	0	0	0	0	60	0	0	12,155	0	12,155
2 Fix Up	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Street Lighting	0	0	0	2,424	0	0	0	0	0	0	0	2,424	0	2,424
4 Water Heater Conversion	0	0	0	966	0	0	0	0	0	0	0	966	0	966
5 Elimination of Strip Heating	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	0	20,686	561	133	0	210	5,488	0	(1,779)	(7,757)	730	18,272	0	18,272
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
TOTAL ALL PROGRAMS	0	20,686	571	15,619	0	210	5,488	0	(1,719)	(7,757)	730	33,837	0	33,837

\* PROVIDE A BREAKDOWN OF COSTS INCLUDED IN "OTHER" BY EXPENSE TYPE AND AMOUNT

Telephone	121
Administrative	94
Employee	524

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 960002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-2)  
PAGE 3 OF 30

CONSERVATION COSTS PER PROGRAM-VARIANCE ACTUAL VS PROJECTED  
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	TRAVEL	GENERAL & ADMIN	LEGAL SERVICES	OTHER*	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Audits	0	0	(92)	513	0	(900)	(300)	0	0	0	2	(777)	0	(777)
2 Fix Up	0	0	(100)	(600)	0	(900)	(200)	0	0	0	0	(1,800)	0	(1,800)
3 Street Lighting												0		0
4 Water Heater Conversion	0	0	(100)	(159)	0	(900)	(300)	0	0	0	0	(1,459)	0	(1,459)
5 Elimination of Strip Heating	0	0	(100)	113	0	(900)	(200)	0	0	0	0	(1,087)	0	(1,087)
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	(100)	(600)	0	(1,700)	(200)	0	0	0	0	(2,600)	0	(2,600)
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	0	5,404	561	133	0	210	1,976	0	(1,779)	(7,963)	71	(1,407)	0	(1,407)
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
TOTAL ALL PROGRAMS	0	5,404	69	(600)	0	(5,090)	776	0	(1,779)	(7,963)	73	(9,130)	0	(9,130)

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 960002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-2)  
PAGE 4 OF 30

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

FOR MONTHS OCTOBER 1996 THROUGH SEPTEMBER 1996

A. CONSERVATION EXPENSE BY PROGRAM	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1 Audits	773	659	1,007	828	905	1,092	753	340	1,042	2,491	1,028	1,237	12,155
2 Fix Up	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Street Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Water Heater Conversion	383	0	186	186	176	164	222	172	177	370	105	283	2,424
5 Elimination of Strip Heating	0	273	0	0	0	0	95	0	127	395	95	1	986
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	2,094	1,485	(4,298)	78	1,445	2,341	2,649	2,732	1,992	2,327	2,885	2,542	18,272
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21 TOTAL ALL PROGRAMS	3,250	2,417	(3,105)	1,092	2,526	3,597	3,719	3,244	3,338	5,583	4,113	4,063	33,837
22 LESS AMOUNT INCLUDED IN RATE BASE													
23 RECOVERABLE CONSERVATION EXPENSES	3,250	2,417	(3,105)	1,092	2,526	3,597	3,719	3,244	3,338	5,583	4,113	4,063	33,837

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

B	CONSERVATION REVENUES	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1	RESIDENTIAL CONSERVATION													0
2	CONSERVATION ADJ. REVENUES	3,914	3,259	4,037	4,657	4,160	3,748	3,462	3,762	4,820	5,244	5,222	5,348	51,637
3	TOTAL REVENUES	3,914	3,259	4,037	4,657	4,160	3,748	3,462	3,762	4,820	5,244	5,222	5,348	51,637
4	PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(6,312)
5	CONSERVATION REVENUE APPLICABLE	3,388	2,733	3,511	4,131	3,634	3,222	2,936	3,236	4,300	4,718	4,696	4,820	45,325
6	CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 33)	3,250	2,417	(3,105)	1,092	2,526	3,597	3,719	3,244	3,338	5,583	4,113	4,063	33,637
7	TRUE-UP THIS PERIOD (LINE 5 - 6)	138	316	6,616	3,039	1,108	(375)	(783)	(8)	962	(865)	583	757	11,488
8	INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(29)	(25)	(6)	19	30	34	34	35	40	43	44	50	269
9	TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(6,312)	(5,677)	(4,860)	2,276	5,860	7,524	7,709	7,486	8,039	9,567	9,271	10,424	(6,312)
9A	DEFERRED TRUE-UP BEGINNING OF PERIOD													
10	PRIOR TRUE-UP COLLECTED (REFUNDED)	526	526	526	526	526	526	526	526	526	526	526	526	6,312
11	TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	5,677	(4,860)	2,276	5,860	7,524	7,709	7,486	8,039	9,567	9,271	10,424	11,757	11,757

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 960002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-2)  
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

C	INTEREST PROVISION	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1	BEGINNING TRUE-UP (LINE B-10)	(6,312)	(5,677)	(4,860)	2,276	5,660	7,524	7,709	7,486	8,039	9,567	9,271	10,424	(6,312)
2	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(5,648)	(4,835)	2,282	5,841	7,494	7,675	7,452	8,004	9,527	9,228	10,380	11,707	11,488
3	TOTAL BEG. AND ENDING TRUE-UP	(11,960)	(10,512)	(2,578)	8,117	13,354	15,199	15,161	15,490	17,566	18,795	19,651	22,131	5,176
4	AVERAGE TRUE-UP (LINE C-3 X 50%)	(5,980)	(5,256)	(1,289)	4,059	6,677	7,600	7,581	7,745	8,783	9,398	9,826	11,066	2,588
5	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.94%	5.81%	5.80%	5.81%	5.40%	5.33%	5.50%	5.40%	5.40%	5.52%	5.41%	5.39%	
6	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.81%	5.80%	5.81%	5.40%	5.33%	5.50%	5.40%	5.40%	5.52%	5.45%	5.39%	5.44%	
7	TOTAL (LINE C-5 + C-6)	11.75%	11.61%	11.61%	11.21%	10.73%	10.83%	10.90%	10.80%	10.92%	10.97%	10.84%	10.83%	
8	AVG. INTEREST RATE (C-7 X 50%)	5.88%	5.81%	5.81%	5.61%	5.37%	5.42%	5.45%	5.40%	5.46%	5.49%	5.42%	5.42%	
9	MONTHLY AVERAGE INTEREST RATE	0.490%	0.484%	0.484%	0.467%	0.447%	0.451%	0.454%	0.450%	0.455%	0.457%	0.452%	0.451%	
10	INTEREST PROVISION (LINE C-4 X C-9)	(29)	(25)	(6)	19	30	34	34	35	40	43	44	50	289

PROGRAM NAME	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1 INVESTMENT														
2 DEPRECIATION BASE														
3 DEPRECIATION EXPENSE														
4 CUMULATIVE INVESTMENT														
5 LESS ACCUMULATED DEPRECIATION														
6 NET INVESTMENT														
7 AVERAGE INVESTMENT														
8 RETURN ON AVERAGE INVESTMENT														
9 RETURN REQUIREMENTS														
10 TOTAL DEPRECIATION AND RETURN														NONE

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. D60002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP 2)  
PAGE 9 OF 30

1. Residential Auditing
2. Fix-up Program
3. Water Heater Conversions
4. Elimination of Electric Strip Heating
5. Commercial and Industrial Audits



PROGRAM TITLE: Residential Audits

PROGRAM DESCRIPTION: To reduce energy consumption and demand in existing residential buildings by encouraging adoption of energy conservation practices and measures with the following three types of audits:

1. Class A Audits
2. Customer Assisted Audits
3. Alternative Audits

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation programs.

PROGRAM FISCAL EXPENDITURES: For the reporting period of October 1995 through September 30, 1996 program expenditures were \$12,932.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 900002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(MAP-1)  
PAGE 11 OF 31

PROGRAM TITLE: Fix-up Program

PROGRAM DESCRIPTION: To achieve a reduction in demand and energy consumption through the implementation of energy conservation "fix-up" measures such as weather-stripping, caulking, water heater insulation jackets, reflective film for windows etc.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation programs.

PROGRAM FISCAL EXPENDITURES: For the reporting period of October 1995 through September 30, 1996 program expenditures were \$1,800.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Water Heater Conversions

PROGRAM DESCRIPTION: This program will be an intensive public information effort to inform customers of the benefits of heating water through other means than electric strip space heating. The program includes coordinating the sales efforts of local businesses to promote alternative methods in new construction.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation programs.

PROGRAM FISCAL EXPENDITURES: The expenditures October 1995 through September 30, 1996 were \$3,883.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Elimination of Electric Strip Heating

PROGRAM DESCRIPTION: This program through an intensive public information effort will encourage customers to supplement or replace existing electric strip heating equipment with heat pumps or solar heating systems. The program will provide the customer with information relative to alternative heating sources and encourage contractors and developers to actively and enthusiastically promote heating systems other than electric strip space heating.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation programs.

PROGRAM FISCAL EXPENDITURES: Expenditures for this reporting period were \$2,073.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Commercial and Industrial Audits

PROGRAM DESCRIPTION: To provide for on-site energy analysis of all Florida Public Utilities commercial and industrial customers. Florida Public Utilities Company will assist the customer in obtaining independent engineering consultants to perform the audits.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation programs.

PROGRAM FISCAL EXPENDITURES: Program expenditures for this reporting period were \$2,600.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

1	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2	FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996		
3	END OF PERIOD NET TRUE-UP		
4	PRINCIPAL	5,025	
5	INTEREST	(471)	4,554
6	LESS PROJECTED TRUE-UP		
7	FEBRUARY 1996 (DATE) HEARINGS		
8	PRINCIPAL	12,855	
9	INTEREST	72	12,927
10	ADJUSTED END OF PERIOD TOTAL TRUE-UP		(8,373) *****

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

	ACTUAL	PROJECTED*	DIFFERENCE
1 CAPITAL INVESTMENT			
2 PAYROLL BENEFITS	23,606	6,770	16,836
3 MATERIAL & SUPPLIES	525	600	(75)
4 OUTSIDE SERVICES	210	6,300	(6,090)
5 ADVERTISING	14,369	13,209	1,160
6 INCENTIVES	0	0	0
7 VEHICLES	8,132	3,023	5,109
8 TRAVEL	0	0	0
9 GENERAL & ADMIN	(1,087)	0	(1,087)
10 LEGAL SERVICES	(7,709)	226	(7,935)
11 OTHER	3,463	1,300	2,163
12 SUB-TOTAL	41,509	31,428	10,081
13 PROGRAM REVENUES			
14 TOTAL PROGRAM COSTS	41,509	31,428	10,081
15 LESS: PRIOR PERIOD TRUE-UP	1,656	1,656	0
16 AMOUNTS INCLUDED IN RATE BASE			
17 CONSERVATION ADJ REVENUE	34,828	16,917	17,911
18 ROUNDING ADJUSTMENT			
19 TRUE-UP BEFORE INTEREST	5,025	12,855	(7,830)
20 ADD INTEREST PROVISION	(471)	72	(543)
21 END OF PERIOD TRUE-UP	4,554	12,077	(8,373)

( ) REFLECTS OVERRECOVERY  
\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

EXHIBIT NO \_\_\_\_\_  
DOCKET NO 960002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-4)  
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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS: OCTOBER 1995 THROUGH: SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	TRAVEL	GENERAL & ADMIN	LEGAL SERVICES	OTHER*	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Audits	0	8,344	0	13,460	0	0	1,419	0	78	0	445	21,744	0	21,744
2 Fix Up	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Street Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Water Heater Conversion	0	0	0	909	0	0	0	0	0	0	0	909	0	909
5 Elimination of Strip Heating	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	0	17,262	525	0	0	210	6,713	0	(1,163)	(7,709)	3,018	18,856	0	18,856
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
TOTAL ALL PROGRAMS	0	23,806	525	14,369	0	210	8,132	0	(1,087)	(7,709)	3,463	41,509	0	41,509

\* PROVIDE A BREAKDOWN OF COSTS INCLUDED IN "OTHER" BY EXPENSE TYPE AND AMOUNT

Telephone	0
Administrative	128
Employee	3,335



CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED  
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	TRAVEL	GENERAL & ADMIN.	LEGAL SERVICES	OTHER*	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Audits	0	6,344	(100)	3,729	0	(900)	1,119	0	76	0	445	10,713	0	10,713
2 Fix Up	0	0	(100)	(500)	0	(1,000)	(200)	0	0	0	0	(1,800)	0	(1,800)
3 Street Lighting												0		0
4 Water Heater Conversion	0	0	(100)	(269)	0	(900)	(200)	0	0	0	0	(1,469)	0	(1,469)
5 Elimination of Strip Heating	0	0	(100)	(900)	0	(1,000)	(200)	0	0	0	0	(2,200)	0	(2,200)
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	(200)	(900)	0	(2,500)	(200)	0	0	0	0	(3,800)	0	(3,800)
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	0	10,492	525	0	0	210	4,790	0	(1,163)	(7,935)	1,718	8,637	0	8,637
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
TOTAL ALL PROGRAMS	0	16,836	(75)	1,160	0	(6,090)	5,109	0	(1,087)	(7,935)	2,163	10,081	0	10,081

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 980002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-4)  
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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

A. CONSERVATION EXPENSE BY PROGRAM	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1 Audits	640	791	948	331	1,018	1,928	182	920	1,753	3,869	1,909	3,877	21,744
2 Fix Up	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Street Lighting													0
4 Water Heater Conversion	0	78	78	78	84	84	78	78	84	111	78	78	909
5 Elimination of Strip Heating	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Public Awareness	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Comm. & Indust. Audits	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Efficient Home Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Expenses	451	2,268	(8,265)	236	2,082	2,458	1,511	3,051	2,392	3,281	2,478	4,917	18,858
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21 TOTAL ALL PROGRAMS	1,091	3,137	(5,239)	645	3,184	4,486	1,751	4,049	4,229	7,081	8,483	8,872	41,509
22 LESS AMOUNT INCLUDED IN RATE BASE													
23 RECOVERABLE CONSERVATION EXPENSES	1,091	3,137	(5,239)	645	3,184	4,486	1,751	4,049	4,229	7,081	8,483	8,872	41,509

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
3 CONSERVATION REVENUES													
1 RESIDENTIAL CONSERVATION													0
2 CONSERVATION ADJ REVENUES	3,142	2,368	2,886	3,662	3,581	2,955	2,412	2,292	2,656	2,936	2,890	3,048	34,828
3 TOTAL REVENUES	3,142	2,368	2,886	3,662	3,581	2,955	2,412	2,292	2,656	2,936	2,890	3,048	34,828
4 PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	138	138	138	138	138	138	138	138	138	138	138	138	1,656
5 CONSERVATION REVENUE APPLICABLE	3,280	2,506	3,024	3,800	3,719	3,093	2,550	2,430	2,794	3,074	3,028	3,186	36,484
6 CONSERVATION EXPENSES (FROM CT-3 PAGE 1, LINE 33)	1,081	3,137	(5,239)	645	3,184	4,466	1,751	4,049	4,229	7,061	8,463	8,672	41,509
7 TRUE-UP THIS PERIOD (LINE 5 - 6)	2,199	(631)	8,263	3,155	535	(1,373)	799	(1,619)	(1,435)	(3,987)	(5,435)	(5,486)	(5,025)
8 INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	13	16	34	59	64	63	62	59	52	40	17	(8)	471
9 TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	1,656	3,720	2,967	11,126	14,202	14,663	13,215	13,938	12,240	10,719	6,634	1,078	1,656
9A DEFERRED TRUE-UP BEGINNING OF PERIOD													
10 PRIOR TRUE-UP COLLECTED (REFUNDED)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(1,656)
11 TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	3,720	2,967	11,126	14,202	14,663	13,215	13,938	12,240	10,719	6,634	1,078	(4,554)	(4,554)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

C	INTEREST PROVISION	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1	BEGINNING TRUE-UP (LINE B-10)	1,656	3,720	2,967	11,126	14,202	14,663	13,215	13,938	12,240	10,719	6,634	1,078	1,656
2	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	3,707	2,951	11,092	14,143	14,599	13,152	13,878	12,181	10,667	6,594	1,061	(4,546)	(5,025)
3	TOTAL BEG. AND ENDING TRUE-UP	5,363	6,671	14,059	25,269	28,801	27,815	27,091	26,119	22,907	17,313	7,695	(3,468)	(3,369)
4	AVERAGE TRUE-UP (LINE C-3 X 50%)	2,682	3,336	7,030	12,635	14,401	13,908	13,546	13,060	11,454	8,657	3,848	(1,734)	(1,685)
5	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.94%	5.81%	5.80%	5.81%	5.40%	5.33%	5.50%	5.40%	5.40%	5.52%	5.45%	5.39%	
6	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.81%	5.80%	5.81%	5.40%	5.33%	5.50%	5.40%	5.40%	5.52%	5.45%	5.39%	5.44%	
7	TOTAL (LINE C-5 + C-6)	11.75%	11.61%	11.61%	11.21%	10.73%	10.83%	10.90%	10.80%	10.92%	10.97%	10.84%	10.83%	
8	AVG INTEREST RATE (C-7 X 50%)	5.88%	5.81%	5.81%	5.61%	5.37%	5.42%	5.45%	5.40%	5.46%	5.49%	5.42%	5.42%	
9	MONTHLY AVERAGE INTEREST RATE	0.490%	0.484%	0.484%	0.467%	0.447%	0.451%	0.454%	0.450%	0.455%	0.457%	0.452%	0.451%	
10	INTEREST PROVISION (LINE C-4 X C-9)	13	16	34	59	64	63	62	59	52	40	17	(8)	471

COMPANY FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA  
 SCHEDULE OF CAPITAL INVESTMENT DEPRECIATION & RETURN  
 FOR MONTHS OCTOBER 1995 THROUGH SEPTEMBER 1996

PROGRAM NAME	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1 INVESTMENT														
2 DEPRECIATION BASE														
3 DEPRECIATION EXPENSE														
4 CUMULATIVE INVESTMENT														
5 LESS ACCUMULATED DEPRECIATION														
6 NET INVESTMENT														
7 AVERAGE INVESTMENT														
8 RETURN ON AVERAGE INVESTMENT														
9 RETURN REQUIREMENTS														
10 TOTAL DEPRECIATION AND RETURN														NONE

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS: OCTOBER 1995 THROUGH SEPTEMBER 1996

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO \_\_\_\_\_  
DOCKET NO: 960002-E-G  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-4)  
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1. Residential Auditing
2. Fix-up Program
3. Water Heater Conversions
4. Elimination of Electric Strip Heating
5. Commercial and Industrial Audits

PROGRAM TITLE: Residential Audits

PROGRAM DESCRIPTION: To reduce energy consumption and demand in existing residential buildings by encouraging adoption of energy conservation practices and measures with the following three types of audits:

1. Class A Audits
2. Customer Assisted Audits
3. Alternative Audits

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation program.

PROGRAM FISCAL EXPENDITURES: For the reporting period of October 1995 through September 30, 1996 programmed expenditures were \$11,031.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.



PROGRAM TITLE: Fix-up Program

PROGRAM DESCRIPTION: To achieve a reduction in demand and energy consumption through the implementation of energy conservation "fix-up" measures such as weather-stripping, caulking, water heater insulation jackets, reflective film for windows etc.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation program.

PROGRAM FISCAL EXPENDITURES: Program expenditures during this period were \$1,800.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Water Heater Conversions

PROGRAM DESCRIPTION: This program will be an intensive public information effort to inform customers of the benefits of heating water through other means than electric strip space heating. The program includes coordinating the sales efforts of local businesses to promote alternative methods in new construction.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation program.

PROGRAM FISCAL EXPENDITURES: Expenditures for October 1995 through September 30, 1996 were \$2,378.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Elimination of Electric Strip Heating

PROGRAM DESCRIPTION: This program through an intensive public information effort will encourage customers to supplement or replace existing electric strip heating equipment with heat pumps or solar heating systems. The program will provide the customer with information relative to alternative heating sources and encourage contractors and developers to actively and enthusiastically promote heating systems other than electric strip space heating.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation program.

PROGRAM FISCAL EXPENDITURES: Program expenditures during this reporting period were \$2,200.00.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.

PROGRAM TITLE: Commercial and Industrial Audits

PROGRAM DESCRIPTION: To provide for on-site energy analysis of all Florida Public Utilities commercial and industrial customers. Florida Public Utilities Company will assist the customer in obtaining independent engineering consultants to perform the audits.

PROGRAM ACCOMPLISHMENTS: Accomplishments were down during this reporting period while waiting for a decision on our declaratory statement regarding FPUC's participation in conservation program.

PROGRAM FISCAL EXPENDITURES: There were not any expenditures during this reporting period.

PROGRAM PROGRESS SUMMARY: Our new programs were approved in October 1996 and full kick off will be implemented January 1997 on all new programs.