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November 19, 1997

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. 970002-EG

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the original and fifteen copies of the Prefiled Direct Testimony of Michael A. Peacock and Exhibit MAP-2.

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

ACK 1 Thank you for your assistance with this filing.

AFA 2

APP _____

CAF _____

CM _____

CTR _____

EAC 1 WBW/rl

LEG _____

LIN 3 ^{acc} 8 All Parties of Record

OPC _____

RCH _____

SEC 1

WAS _____

OTW _____

Sincerely,

William B. Willingham

William B. Willingham

RECEIVED & FILED
NOV 19 1997
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER DATE

11895 NOV 19 97

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY certify that a true and correct copy of the Prefiled Direct Testimony of Michael A. Peacock and Exhibit MAP-2 was furnished by United States Mail this 19th day of November, 1997 to:

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By: 
WILLIAM B. WILLINGHAM, ESQ.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 970002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

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
3 Marianna, Florida 32446.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as
6 Manager of 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
9 recovery of the Conservation Program costs for the period
10 October 1, 1996 through September 30, 1997 as compared to
11 the true-up amounts previously reported for that period
12 which were based on two months actual and ten months
13 estimated data.
- 14 Q. Please state the actual amounts of over/under recovery of
15 Conservation Program costs for bot' divisions of Florida
16 Public Utilities Company for October 1, 1996 through
17 September 30, 1997.
- 18 A. The Company over-recovered \$56,065 in the Marianna

1 Division during that period. In the Fernandina Beach
2 Division we over-recovered \$50,545. These amounts are
3 substantiated on Schedule CT-3, page 2 of 3, Energy
4 Conservation Adjustment.

5 Q. How do these amounts compare with the estimated true-up
6 amounts which were allowed by the Commission during the
7 February 1997 hearing?

8 A. We had estimated that we would under-recover \$128,645 in
9 Marianna. In Fernandina Beach we had estimated an under-
10 recovery of \$162,243 as of September 30, 1997.

11 Q. Have you prepared any exhibits at this time?

12 A. We have prepared and pre-filed Schedules CT-1, CT-2,
13 CT-3, CT-4, CT-5 and CT-6 (Composite Exhibit MAP-2).

14 Q. Does this conclude your testimony?

15 A. Yes.

16

17 Disk Conservation 11-97

18 Peacocktest.1197

19

20

Exhibit No. _____
Docket No. 970002-EG
Florida Public Utilities Company
(MAP-2)

**True-up Calculations
October 1996 - September 1997**

Schedule CT-1	True-up Calculations
Schedule CT-2	Analysis of Energy Conservation Program Costs
Schedule CT-3	Energy Conservation Adjustment Calculation of Trueup 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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS October-86 THROUGH September-87

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS October-86 THROUGH September-87		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(55,094)</u>	
5.	INTEREST	<u>(971)</u>	<u>(56,065)</u>
6.	LESS PROJECTED TRUE-UP		
7.	February-87 (DATE) HEARINGS		
8.	PRINCIPAL	<u>126,439</u>	
9.	INTEREST	<u>2,206</u>	<u>128,645</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(184,710)</u>

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
PAGE 1 OF 38

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

FOR MONTHS October-86 THROUGH September-87

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1. LABOR/PAYROLL	46,849	63,003	(22,154)
2. ADVERTISING	19,189	21,425	(2,236)
3. LEGAL	1,714	4,398	(2,682)
4. OUTSIDE SERVICES/CONTRACT	14,740	26,833	(12,093)
5. VEHICLE COST	4,940	11,290	(6,350)
6. MATERIAL & SUPPLIES	7,678	8,800	(1,122)
7. TRAVEL	3,134	5,083	(1,929)
8. GENERAL & ADMIN	4,643	4,830	(187)
9. INCENTIVES	0	0	0
10. OTHER	265	17,500	(17,235)
11. SUB-TOTAL	97,152	183,140	(85,988)
12. PROGRAM REVENUES			
13. TOTAL PROGRAM COSTS	97,152	183,140	(85,988)
14. LESS: PRIOR PERIOD TRUE-UP	11,757	11,757	0
15. AMOUNTS INCLUDED IN RATE BASE			
16. CONSERVATION ADJ REVENUE	140,489	24,944	115,545
17. ROUNDING ADJUSTMENT			
18. TRUE-UP BEFORE INTEREST	(55,094)	126,439	(181,533)
19. ADD INTEREST PROVISION	(971)	2,208	(3,177)
20. END OF PERIOD TRUE-UP	(58,065)	128,645	(184,710)

() REFLECTS OVERRECOVERY

* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
PAGE 2 OF 38

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARLBORNA
ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS October-98 THROUGH September-97

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL		PROGRAM REVENUES	TOTAL
	PAYROLL	ADVERTISING					MATERIALS	SUPPLIES		GENERAL & ADMIN.	INCENTIVES			OTHER	SUB TOTAL		
1. In Contact with Bio Environment	1,508	23	0	14,538	0	18	0	0	0	0	0	0	0	16,098	0	16,098	
2. Direct Leakage Repair	2,181	2,487	0	0	0	189	0	11	0	0	0	0	0	4,808	0	4,808	
3. Residential Geothermal Heat Pump	1,184	132	0	0	0	0	32	20	0	0	0	0	0	1,348	0	1,348	
4. Residential Energy Audits	4,800	12,227	0	0	0	93	217	29	0	0	0	0	0	16,568	0	16,568	
5. Low Income Customer Energy Audits	1,210	402	0	0	0	0	0	0	0	0	0	0	0	1,612	0	1,612	
6. FPU Express	1,108	113	0	16	0	0	0	0	0	0	0	0	0	1,278	0	1,278	
7. Enhanced Good Cents Home	2,915	3,289	0	42	0	4,479	550	44	0	0	0	108	0	11,527	0	11,527	
8. Commercial/Industrial Good Cents Building	929	278	0	32	0	1,436	379	250	0	0	0	0	0	3,298	0	3,298	
9. Commercial/Industrial Energy Audits & Tech. Ass	1,880	97	0	0	0	0	897	250	0	0	0	0	0	2,824	0	2,824	
10. Common	24,178	13	1,714	112	4,940	1,482	1,353	4,239	0	0	0	157	0	27,298	0	27,298	
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20.																	
TOTAL ALL PROGRAMS	49,849	18,189	1,714	14,740	4,940	7,678	3,134	4,843	0	293	0	0	0	87,152	0	87,152	

EXHIBIT NO. _____
DOCKET NO. 870003-88
FLORIDA PUBLIC UTILITIES COMPANY
(APP-3)
PAGE 3 OF 26

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARUANKA
CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS: October-96 THROUGH September-97

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN			INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
									ADMIN							
1. In Concert with the Environment	208		25	0	4,538	890	18	0	0	0	0	0	0	3,886	0	3,886
2. Circuit Leakage Rep & Maint	281		1,887	0	(3,402)	800	(431)	0	0	(188)	0	0	(1,800)	(3,852)	0	(3,852)
3. Residential Geothermal Heat Pump	(1,426)		(888)	0	(3,302)	800	(708)	(488)	0	(488)	0	0	(1,800)	(8,002)	0	(8,002)
4. Residential Energy Audits	(3,300)		2,802	0	0	800	(807)	(783)	0	(471)	0	0	(1,800)	(3,808)	0	(3,808)
5. Law Institute Customer Energy Audits	(2,280)		(1,288)	0	800	800	(708)	0	0	(800)	0	0	(2,700)	(8,188)	0	(8,188)
6. FPU Expenses	(1,894)		(1,817)	0	(1,894)	800	(708)	0	0	(800)	0	0	(2,700)	(8,225)	0	(8,225)
7. Enhanced Good Care Home	(1,880)		(811)	0	(2,480)	800	(480)	0	0	(880)	0	0	(2,880)	(8,873)	0	(8,873)
8. Commercial/Industrial Good Care Building	(371)		(1,284)	0	(1,880)	800	(78)	(1,128)	0	(282)	0	0	(1,800)	(8,702)	0	(8,702)
9. Commercial/Industrial Energy Audits & Tech. Ass	280		(1,283)	0	(4,200)	(800)	(708)	(428)	0	(288)	0	0	(2,700)	(8,878)	0	(8,878)
10. Common	(11,425)		13	(2,882)	79	1,880	1,482	1,300	2,888	127	0	0	(1,800)	(8,817)	0	(8,817)
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TOTAL ALL PROGRAMS	(25,164)		(2,218)	(2,882)	(12,887)	(8,283)	(1,122)	(1,888)	(1,887)	(187)	0	0	(17,228)	(55,888)	0	(55,888)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARUANA
ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS October-86 THROUGH September-87

A. CONSERVATION EXPENSE BY PROGRAM	OCTOBER		NOVEMBER		DECEMBER		JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		TOTAL	
1. In Concert with the Environment	0	0	0	0	43	169	316	3,008	462	236	22	0	0	0	11,289	0	0	0	0	0	0	0	0	0	18,099	
2. Direct Leakage Repair	0	0	0	0	316	116	329	817	786	491	297	179	1,785	4,858	0	0	0	0	0	0	0	0	0	0	4,858	
3. Residential Gas/thermal Heat Pump	0	0	0	0	45	46	155	210	351	289	155	0	87	1,346	0	0	0	0	0	0	0	0	0	0	1,346	
4. Residential Energy Audits	1,853	0	1,273	1,801	1,742	2,342	1,454	1,100	1,100	882	882	288	743	16,284	0	0	0	0	0	0	0	0	0	0	16,284	
5. Low Income Customer Energy Audits	0	0	0	0	88	46	215	182	344	225	167	256	110	1,812	0	0	0	0	0	0	0	0	0	0	1,812	
6. FPU Expenses	0	0	0	0	88	52	88	114	288	375	110	0	237	1,279	0	0	0	0	0	0	0	0	0	0	1,279	
7. Enhanced Good Counts Home	0	0	0	0	11	253	491	1,081	2,114	2,041	728	1,060	2,041	11,307	0	0	0	0	0	0	0	0	0	0	11,307	
8. Commercial/Industrial Good Counts Building	0	0	0	0	151	342	415	151	891	798	71	998	49	3,288	0	0	0	0	0	0	0	0	0	0	3,288	
9. Commercial/Industrial Energy Audits & Tech. Ass	0	0	0	0	565	882	500	179	721	497	421	49	2,834	0	0	0	0	0	0	0	0	0	0	0	2,834	
10. Common	3,482	2,152	1,862	2,050	2,050	4,038	4,915	3,373	2,354	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,360	27,280
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20.																										
21. TOTAL ALL PROGRAMS	5,115	3,425	3,774	3,774	5,125	8,348	8,990	11,812	10,099	8,897	5,124	5,994	20,992	87,152												
22. LESS AMOUNT INCLUDED IN RATE BASE																										
23. RECOVERABLE CONSERVATION EXPENSES	5,115	3,425	3,774	3,774	5,125	8,348	8,990	11,812	10,099	8,897	5,124	5,994	20,992	87,152												

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MAHARISHI
ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS	October-88 THROUGH September-87												
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
A. CONSERVATION EXPENSE BY PROGRAM													
1. In Concert with the Environment	0	0	0	45	169	316	3,608	452	226	32	0	11,288	16,098
2. Direct Leakages Repair	0	0	0	318	118	229	817	798	491	297	179	1,785	4,808
3. Residential Gas/Chemical Heat Pump	0	0	0	45	48	155	270	351	289	155	0	87	1,348
4. Residential Energy Audits	1,653	1,273	1,871	1,742	2,847	2,352	1,654	1,100	950	882	289	743	16,968
5. Low Income Customer Energy Audits	0	0	0	88	48	215	182	344	225	187	255	110	1,812
6. FPU Express	0	0	0	114	15	88	114	288	375	110	0	207	1,273
7. Enhanced Good Cents Home	0	0	11	181	303	491	1,091	2,114	2,041	729	1,865	2,611	11,527
8. Commercial/Industrial Good Cents Building	0	0	0	45	142	415	161	691	798	71	988	48	3,258
9. Commercial/Industrial Energy Audits & Tech. Ass	0	0	0	585	2,982	500	170	171	480	421	0	48	2,824
10. Custom	3,162	2,182	1,862	2,580	8,204	4,139	4,915	3,259	3,254	2,285	2,378	3,895	37,398
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16.													
17.													
18.													
19.													
20.													
21. TOTAL ALL PROGRAMS	5,115	3,425	3,774	5,125	8,348	8,350	11,512	10,008	8,857	5,124	5,364	26,962	87,152
22. LESS AMOUNT INCLUDED IN RATE BASE													
23. RECOVERABLE CONSERVATION EXPENSES	5,115	3,425	3,774	5,125	8,348	8,350	11,512	10,008	8,857	5,124	5,364	26,962	87,152

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MAHARAJA

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS October-08 THROUGH September-07

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
8. CONSERVATION REVENUES													0
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	4,204	3,585	4,213	4,365	4,029	3,839	17,848	15,362	15,175	21,720	22,305	23,944	140,489
3. TOTAL REVENUES	4,204	3,585	4,213	4,365	4,029	3,839	14,848	15,362	15,175	21,720	22,305	23,944	140,489
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	890	890	890	890	890	890	890	890	890	890	890	890	11,737
5. CONSERVATION REVENUE APPLICABLE	5,194	4,475	5,103	5,255	4,919	4,729	15,628	16,252	16,165	22,700	23,375	24,821	152,246
6. CONSERVATION EXPENSES FROM CT-3 (PAGE 1, LINE 29)	5,115	3,425	3,774	5,122	5,249	8,892	11,812	10,028	8,827	5,134	5,854	25,882	87,152
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	69	1,140	1,419	220	(3,340)	(4,160)	4,116	6,208	10,348	17,578	17,421	3,859	95,094
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	51	48	54	53	40	19	15	34	69	130	208	251	871
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	11,737	15,867	11,508	11,589	10,882	6,612	1,511	4,652	10,222	19,439	26,185	32,632	11,737
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	890	890	890	890	890	890	890	890	890	890	890	890	(11,737)
11. TOTAL NET TRUE-UP (LINES 7+8+9A+10)	10,897	11,508	11,589	10,882	6,612	1,511	4,652	10,222	19,439	26,185	32,632	38,065	95,094

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MAHANNA

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS: October-08 THROUGH September-07

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-4)	11,737	10,387	11,108	11,369	10,852	8,812	1,511	4,652	10,022	19,459	26,165	52,832	11,737
2. ENDING TRUE-UP BEFORE INTEREST: (LINES E7+8+9+69A+810)	10,848	11,027	11,115	10,879	5,572	1,452	4,647	9,298	19,290	26,098	52,828	55,814	55,094
3. TOTAL BEG. AND ENDING TRUE-UP	22,603	21,564	22,691	22,438	17,464	8,104	6,158	14,950	29,412	55,514	88,811	108,648	66,831
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	11,302	10,877	11,328	11,219	8,732	4,052	3,079	7,325	14,706	27,757	44,406	54,323	33,428
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.44%	5.38%	5.42%	5.39%	5.45%	5.42%	5.24%	5.82%	5.60%	5.82%	5.82%	5.89%	5.89%
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.38%	5.42%	5.39%	5.45%	5.42%	5.24%	5.82%	5.82%	5.60%	5.11%	5.59%	5.89%	5.89%
7. TOTAL (LINE C-5 + C-6)	10.82%	10.80%	11.37%	11.60%	10.89%	11.17%	11.36%	11.22%	11.22%	11.20%	11.14%	11.09%	11.09%
8. AVG. INTEREST RATE (C-7 X 0.75)	5.41%	5.40%	5.69%	5.70%	5.44%	5.69%	5.89%	5.81%	5.81%	5.62%	5.82%	5.89%	5.89%
9. MONTHLY AVERAGE INTEREST RATE	0.461%	0.480%	0.474%	0.475%	0.483%	0.480%	0.472%	0.488%	0.488%	0.487%	0.484%	0.482%	0.482%
10. INTEREST PROVISION (LINE C-4 X C-8)	51	49	54	53	40	19	15	24	69	130	208	281	281

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MIAMI
SCHEDULE OF CAPITAL INVESTMENT DEPRECIATION & RETURN
FOR MONTHS October-98 THROUGH September-97

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-86 THROUGH September-87

AUDIT EXCEPTION:

TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
PAGE 9 OF 38

1. IN CONCERT WITH THE ENVIRONMENT
2. DUCT LEAKAGE REPAIR
3. RESIDENTIAL GEOTHERMAL HEAT PUMP
4. RESIDENTIAL ENERGY AUDITS
5. LOW INCOME CUSTOMER ENERGY AUDITS
6. FPU EXPRESS LOAN
7. ENHANCED GOOD CENTS HOME
8. COMMERCIAL/INDUSTRIAL GOOD CENTS BUILDING
9. COMMERCIAL/INDUSTRIAL ENERGY AUDITS AND
TECHNICAL ASSISTANCE

PROGRAM TITLE : In Concert With the Environment

PROGRAM DESCRIPTION : In Concert With the Environment® is an environmental and energy awareness program that is being implemented in the 8th and 9th grade science classes in Florida Public Utilities Company's service area. The program will show students how everyday energy use impacts the environment and how using energy wisely increases environmental quality. In Concert With the Environment® is brought to students who are already making decisions which impact our country's energy supply and the environment. Wise energy use today can best be achieved by linking environmental benefits to wise energy-use activities and by educating both present and future consumers on how to live "in concert with the environment".

The "In Concert" program was designed for teachers and students from the ground up. "In Concert" comes complete with suggestions for implementation and evaluation, with quality materials designed to accentuate distinctive teaching styles. The program is flexible enough to be used as a stand-alone learning unit, or it can be integrated into existing lessons.

PROGRAM ACCOMPLISHMENTS : The offering of this program is currently being implemented in cooperation with area school board members, administrators, and teachers. A training session was held on October 20, for the 18 participating teachers. The program itself will commence during the current school year for 9th grade students in schools within our service area. The schools which will be taking part are the three county school systems located in Calhoun, Liberty, and Jackson counties (Marianna Division). Teachers and administrators alike have embraced the program with great enthusiasm.

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$16,096.

PROGRAM PROGRESS SUMMARY : This program is being instituted for the first time during the current school year. We are expecting an enthusiastic response from both teachers and students which will help in making this program a great success.

PROGRAM TITLE : Duct Leakage Repair

PROGRAM DESCRIPTION : The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM ACCOMPLISHMENTS : The program goal for the current year is twelve participants. As of the end of this reporting period we have a total of 74 participants.

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$4,608.

PROGRAM PROGRESS SUMMARY : To meet future goals FPUC will be sponsoring continuing education courses for building and HVAC contractors which will provide training in the areas of duct leakage identification and repair solutions. Contractors will then be in a better position to provide quality duct repair/installation services to FPUC customers. This training will be offered to area contractors in both service areas. The Marianna Division will be cosponsoring this training along with Gulf Power and West Florida Electric Cooperative. As with the Enhanced Good Cents Program we are offering these training seminars in cooperation with other utilities in order to allow us to offer these courses to local contractors at a much lower cost to us. With this training we feel confident that we can meet our PSC approved goals now and in the future.

PROGRAM TITLE : Residential Geothermal Heat Pump

PROGRAM DESCRIPTION : The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM ACCOMPLISHMENTS : At this time we do not have a geothermal installation in our service area. Several customers have inquired about this technology, therefore, we are confident that we will see a number of geothermal installations by the end of the current year.

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$1,348.

PROGRAM PROGRESS SUMMARY : Even though there is not a goal for this particular program we feel confident that by our efforts to promote this technology we will see a number geothermal installations in our service areas during the current year. We will continue to educate customers and strive to develop a network of installers in order to better promote this highly energy efficient heating and cooling source.

PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION : The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM ACCOMPLISHMENTS : The goal for this program is 137 participants. This has been a very successful program to date. Audits have been conducted for 148 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$16,566.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through radio, newspaper and cable TV that we will see increased participation in this program.

PROGRAM TITLE : Low Income Customer Energy Audits

PROGRAM DESCRIPTION : FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but based on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM ACCOMPLISHMENTS: Thirty-three low income customer audits have been completed to date.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$1612.

PROGRAM PROGRESS SUMMARY: The program goal is eighteen participants per year. Most of the audits that have been done were completed in the first quarter of the year. Since that time the agencies that we deal with to provide these services are currently at a standstill. Whether this is due to a lack of funding or aggressiveness on their part we cannot determine. We have made the contacts we need to make and will keep in touch with these organizations in order to stay up to date on their progress and needs.

PROGRAM TITLE : FPU Express Loan Program

PROGRAM DESCRIPTION : The objective of the FPU Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing from participating banks in FPUC's service area for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application to Southern Development and Investment Group once the customer decides to install the conservation features. Along with the application, the FPUC representative will also provide the bank with a copy of the energy audit and a list of the specific energy conservation features recommended. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. Confirmation of the installed features is provided to the participating bank. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM ACCOMPLISHMENTS: This year's goal is nine program participants. To date, we have completed three FPU Express Loans. Program participation is expected to increase as contractors, realtors and customers become more aware of the availability of the program.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$1,275.

PROGRAM PROGRESS SUMMARY : The contract agreement that was needed to offer this program was not signed until the end of the previous quarter. Full implementation of this program has now begun. We feel this program will be extremely successful due to increased advertising and our new promotional efforts. During Residential Audits we will also inform residents of the advantages of this program. We will continue to develop close relationships with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

PROGRAM TITLE : Enhanced Good Cents Home Program

PROGRAM DESCRIPTION : The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, centsable duct system, centsable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPU will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM ACCOMPLISHMENTS : A total of seven Enhanced Good Cents Homes have been built to date with several more currently under construction.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$11,527.

PROGRAM PROGRESS SUMMARY : The program goal is thirty-seven participants by the end of the current year. We are considerably below our goal at this time due to the lack of customer and contractor awareness of the program and its benefits. Program progress was hindered due to the time frame required to properly train representatives for this position. Informational presentations will be conducted to educate area builders, realtors, and suppliers. We feel these measures along with increased efforts in building partnerships with local contractors will enable us to make this program successful.

PROGRAM TITLE : Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION : The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these areas that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cents Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM ACCOMPLISHMENTS : To date, we have a total of three Good Cents Building qualifications.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$3,298.

PROGRAM PROGRESS SUMMARY : Even with the slow progression of commercial/industrial construction we have exceeded our goal of two Good Cents Buildings for the current year. By developing a plan of action to gain knowledge of possible projects before the design stage begins we feel that we will have further success with this program. We have laid the foundation of customer trust in this area, just as in our Commercial/Industrial Audit and Technical Assistance Program. We feel that with these changes the program goal will be met for the current year.

PROGRAM TITLE : Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION : FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTION : Commercial/Industrial Audits have been completed for twelve customers to date.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$2,624.

PROGRAM PROGRESS SUMMARY : The DSM plan goal is eleven participants for this particular program. Program participation has been excellent with many customers having participated thus far. This program has exceeded the set goal. We are optimistic that our commercial/industrial customers will involve us to a greater extent in future projects based upon the work we are currently doing in this area.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION ADJUSTMENT TRUE-UP
FOR MONTHS October-96 THROUGH September-97

SCHEDULE CT-1
PAGE 1 OF 1

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS October-96 THROUGH September-97		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(50,944)</u>	
5.	INTEREST	<u>399</u>	<u>(50,545)</u>
6.	LESS PROJECTED TRUE-UP		
7.	February-97 (DATE) HEARINGS		
8.	PRINCIPAL	<u>158,383</u>	
9.	INTEREST	<u>3,890</u>	<u>162,243</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(212,788)</u>

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

FOR MONTHS October-86 THROUGH September-87

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1. LABOR/PAYROLL	54,688	62,933	(8,245)
2. ADVERTISING	14,072	20,911	(6,839)
3. LEGAL	1,640	4,396	(2,756)
4. OUTSIDE SERVICES/CONTRACT	14,846	28,333	(13,487)
5. VEHICLE COST	6,268	11,746	(5,478)
6. MATERIAL & SUPPLIES	6,129	8,909	(2,780)
7. TRAVEL	3,342	8,486	(5,144)
8. GENERAL & ADMIN	6,084	3,043	3,041
9. INCENTIVES	0	0	0
10. OTHER	385	18,296	(17,911)
11. SUB-TOTAL	107,454	167,053	(59,599)
12. PROGRAM REVENUES			
13. TOTAL PROGRAM COSTS	107,454	167,053	(59,599)
14. LESS: PRIOR PERIOD TRUE-UP	(4,554)	(4,554)	0
15. AMOUNTS INCLUDED IN RATE BASE			
16. CONSERVATION ADJ REVENUE	162,952	13,224	149,728
17. ROUNDING ADJUSTMENT			
18. TRUE-UP BEFORE INTEREST	(50,944)	156,363	(209,327)
19. ADD INTEREST PROVISION	399	3,860	(3,461)
20. END OF PERIOD TRUE-UP	(50,545)	162,243	(212,788)

() REFLECTS OVERRECOVERY

* 2 MONTHS ACTUAL, AND 10 MONTHS PROJECTED

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
PAGE 21 OF 36

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS October-88 THROUGH September-87

PROGRAM NAME	LABOR & PATROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Contact with the Environment	1,682		0	0	14,822	0	0	0	0	0	0	16,314	0	16,314
2. Direct Leakage Repair	1,288		18	0	0	0	189	0	28	0	0	1,811	0	1,811
3. Residential Geothermal Heat Pump	1,781		68	0	0	0	0	78	0	0	0	1,908	0	1,908
4. Residential Energy Audits	9,742		19,244	0	0	29	27	152	0	0	0	29,324	0	29,324
5. Low Income Customer Energy Audits	1,277		18	0	0	11	0	0	0	0	0	1,308	0	1,308
6. FPU Express	908		687	0	0	0	0	0	0	0	0	1,605	0	1,605
7. Enhanced Good Cuts Home	7,499		2,801	0	0	65	4,682	1,424	28	0	119	16,298	0	16,298
8. Commercial/Industrial Good Cuts Building	1,338		18	0	42	11	1,438	852	283	0	119	3,875	0	3,875
9. Commercial/Industrial Energy Audits & Tech. Ass	5,801		88	0	100	5	0	428	272	0	118	6,592	0	6,592
10. Common	23,134		50	1,840	82	8,147	45	889	5,485	0	39	37,191	0	37,191
11.														
12.														
13.														
14.														
15.														
16.														
17.														
18.														
19.														
20.														
TOTAL ALL PROGRAMS	54,689		14,872	1,840	14,848	8,268	6,129	3,342	6,084	0	385	107,654	0	107,654

EXHIBIT NO. _____
DOCKET NO. 87002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAN-2)
PAGE 22 OF 38

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS October-98 THROUGH September-97

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.		RECEIPTS	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Concert with the Environment	1,352		0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct Leakage Repair	891		892	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Residential Groundwater Heat Pump	1,851		832	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Residential Energy Audits	771		1,433	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Low Income Customer Energy Audits	(1,194)		(1,892)	0	0	0	0	0	0	0	0	0	0	0	0	0
6. PPU Expenses	(1,302)		(1,213)	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Enhanced Good Courts Home	283		(1,388)	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Commercial/Industrial Good Courts Building	(1,085)		(1,352)	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Commercial/Industrial Energy Audits & Tech. Ass	2,049		(1,352)	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Common	(11,742)		50	(2,795)	49	2,091	45	511	4,865	33	0	0	0	0	0	0
11.																
12.																
13.																
14.																
15.																
16.																
17.																
18.																
19.																
20.																
TOTAL ALL PROGRAMS	(8,245)	(8,238)	(2,795)	(19,487)	(8,478)	(2,782)	(5,144)	3,041	0	(17,413)	(29,295)	0	0	0	0	(58,595)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS	September-87												
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
A. CONSERVATION EXPENSE BY PROGRAM													
1. In Contact with the Environment	0	0	7	11	124	131	224	460	102	387	150	11,428	18,314
2. Direct Leakage Repair	0	0	7	264	432	166	80	191	132	149	187	103	1,811
3. Residential Geothermal Heat Pump	0	0	0	62	68	42	667	186	209	190	131	116	1,308
4. Residential Energy Audits	2,577	2,183	2,573	747	2,822	1,348	1,183	1,270	1,889	1,148	1,128	1,384	20,338
5. Low Income Customer Energy Audits	95	96	138	118	49	102	69	203	149	149	117	28	1,358
6. PPU Expenses	3	0	0	0	38	18	18	118	383	328	281	404	1,885
7. Enhanced Good Counts Home	873	1,855	912	629	685	1,382	798	1,265	1,101	838	2,489	2,879	16,398
8. Commercial/Industrial Good Counts Building	109	109	12	241	202	414	414	722	918	169	1,030	30	3,875
9. Commercial/Industrial Energy Audits & Tech. Ass	198	28	388	771	1,437	681	1,038	1,704	1,137	909	438	471	8,382
10. Common	4,482	1,351	3,802	3,802	4,387	2,377	2,847	2,389	3,108	4,028	2,819	2,481	37,191
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21. TOTAL ALL PROGRAMS	8,438	8,817	7,940	8,915	8,062	7,221	8,532	8,480	8,472	7,889	8,778	20,312	107,654
22. LESS AMOUNT INCLUDED IN RATE BASE													
23. RECOVERABLE CONSERVATION EXPENSES	8,438	8,817	7,940	8,915	8,062	7,221	8,532	8,480	8,472	7,889	8,778	20,312	107,654

EXHIBIT NO. _____
DOCKET NO. 87000-83
FLORIDA PUBLIC UTILITIES COMPANY
SM-1-87
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNADESSA
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS October-86 THROUGH September-87

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
B. CONSERVATION REVENUES													0
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	2,491	2,040	2,308	2,629	2,833	2,268	19,874	20,339	23,487	28,174	27,263	26,818	187,892
3. TOTAL REVENUES	2,491	2,040	2,308	2,629	2,833	2,268	19,874	20,339	23,487	28,174	27,263	26,818	187,892
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(285)	(285)	(285)	(285)	(285)	(285)	(287)	(285)	(285)	(285)	(285)	(285)	(4,254)
5. CONSERVATION REVENUE APPLICABLE	2,111	1,800	1,828	2,359	2,253	1,888	19,324	19,899	21,107	28,324	27,183	26,294	184,386
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	8,438	5,617	7,240	5,813	6,062	7,321	8,332	8,480	8,472	7,959	8,778	20,313	107,634
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(6,327)	(3,817)	(5,412)	(4,594)	(4,209)	(5,433)	(9,762)	11,479	14,835	18,785	18,407	8,972	90,944
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(34)	(93)	(82)	(103)	(122)	(189)	(141)	(89)	(28)	53	141	208	(288)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(4,364)	(16,533)	(14,167)	(19,881)	(24,302)	(29,813)	(24,918)	(24,915)	(13,148)	1,344	21,062	29,899	(4,854)
10. DEFERRED TRUE-UP BEGINNING OF PERIOD	289	289	289	289	289	289	289	289	289	289	289	289	4,854
11. TOTAL NET TRUE-UP (LINES 7-9-10-11)	(10,838)	(14,167)	(18,881)	(24,262)	(29,813)	(24,915)	(24,918)	(13,148)	1,844	21,062	29,899	30,543	80,543

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNAONDA
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS THROUGH September-87

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	14,954	(10,538)	(14,187)	(18,881)	(24,262)	(29,813)	(34,918)	(34,918)	(13,145)	1,844	21,262	28,880	(4,954)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7-B9-80A-B10)	(10,851)	(14,123)	(19,891)	(25,157)	(32,091)	(34,785)	(34,774)	(13,088)	1,870	21,209	29,849	30,328	90,844
3. TOTAL REG. AND ENDING TRUE-UP	(15,089)	(24,661)	(33,968)	(44,208)	(53,953)	(64,579)	(69,892)	(47,971)	(11,275)	22,853	60,911	60,328	46,300
4. AVERAGE TRUE-UP (LINE C-1 (50%))	(7,538)	(12,334)	(16,984)	(22,019)	(26,877)	(32,290)	(34,946)	(19,300)	(5,638)	11,427	30,458	48,163	23,166
5. INTEREST RATE - FIRST DAY REPORTING BUSINESS MONTH	5.44%	6.38%	6.42%	5.95%	5.45%	5.40%	5.74%	5.82%	5.60%	5.82%	5.88%	5.88%	5.88%
6. INTEREST RATE - FIRST DAY SUBSEQUENT BUSINESS MONTH	5.38%	5.45%	5.88%	5.45%	5.45%	5.74%	5.82%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%
7. TOTAL (LINE C-3 + C-6)	10.82%	10.80%	11.37%	11.40%	10.80%	11.17%	11.36%	11.22%	11.22%	11.20%	11.14%	11.09%	11.09%
8. AVG. INTEREST RATE (C-7 X 100)	5.41%	5.40%	5.89%	5.70%	5.44%	5.89%	5.85%	5.81%	5.81%	5.80%	5.80%	5.80%	5.80%
9. MONTHLY AVERAGE INTEREST RATE	0.481%	0.450%	0.474%	0.473%	0.453%	0.465%	0.473%	0.468%	0.468%	0.467%	0.464%	0.462%	0.462%
10. INTEREST PROVISION (LINE C-4 X C-9)	(249)	(683)	(880)	(1,038)	(1,122)	(1,168)	(1,411)	(888)	(281)	53	141	289	(2,088)

EXHIBIT NO. _____
DOCKET NO. 87003-63
FLORIDA PUBLIC UTILITIES COMPANY
(RAMP-3)
PAGE 26 OF 28

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR MONTHS October-86 THROUGH September-87

SCHEDULE CT-4
 PAGE 1 OF 1

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

EXHIBIT NO. _____
 DOCKET NO. 87000-20
 FLORIDA PUBLIC UTILITIES COMPANY
 (SNAP-2)
 PAGE 27 OF 28

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-86 THROUGH September-87

AUDIT EXCEPTION:

TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 970002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-2)
PAGE 28 OF 38

1. IN CONCERT WITH THE ENVIRONMENT
2. DUCT LEAKAGE REPAIR
3. RESIDENTIAL GEOTHERMAL HEAT PUMP
4. RESIDENTIAL ENERGY AUDITS
5. LOW INCOME CUSTOMER ENERGY AUDITS
6. FPU EXPRESS LOAN
7. ENHANCED GOOD CENTS HOME
8. COMMERCIAL/INDUSTRIAL GOOD CENTS BUILDING
- bb9. COMMERCIAL/INDUSTRIAL ENERGY AUDITS AND
TECHNICAL ASSISTANCE

PROGRAM TITLE : In Concert With the Environment

PROGRAM DESCRIPTION : In Concert With the Environment® is an environmental and energy awareness program that is being implemented in the 8th and 9th grade science classes in Florida Public Utilities Company's service area. The program will show students how everyday energy use impacts the environment and how using energy wisely increases environmental quality. In Concert With the Environment® is brought to students who are already making decisions which impact our country's energy supply and the environment. Wise energy use today can best be achieved by linking environmental benefits to wise energy-use activities and by educating both present and future consumers on how to live "in concert with the environment".

The "In Concert" program was designed for teachers and students from the ground up. "In Concert" comes complete with suggestions for implementation and evaluation, with quality materials designed to accentuate distinctive teaching styles. The program is flexible enough to be used as a stand-alone learning unit, or it can be integrated into existing lessons.

PROGRAM ACCOMPLISHMENTS : The offering of this program is currently being implemented in cooperation with area school board members, administrators, and teachers. A training session was held on October 20, for the 18 participating teachers. The program itself will commence during the current school year for 9th grade students in schools within our service area. The school which will be taking part in the Fernandina Beach service territory is Fernandina Beach High School. Teachers and administrators alike have embraced the program with great enthusiasm.

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$16,314.

PROGRAM PROGRESS SUMMARY : This program is being instituted for the first time during the current school year. We are expecting an enthusiastic response from both teachers and students which will help in making this program a great success.

PROGRAM TITLE : Duct Leakage Repair

PROGRAM DESCRIPTION : The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM ACCOMPLISHMENTS : The program goal for the current year is thirteen participants. As of the end of this reporting period we have a total of 86 participants.

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$1,811.

PROGRAM PROGRESS SUMMARY : In order to ensure that we meet our current and future goals FPUC will be sponsoring continuing education courses for building and HVAC contractors which will provide training in the areas of duct leakage identification and repair solutions. Contractors will then be in a better position to provide quality duct repair/installation services to FPUC customers. This training will be offered to area contractors in both service areas. The Fernandina Beach Division will be cosponsoring this training along with JEA and Clay Electric Cooperative. As with the Enhanced Good Cents Program we are offering these training seminars in cooperation with other utilities in order to allow us to offer these courses to local contractors at a much lower cost to us. With this training we feel confident that we can meet our PSC approved goals now and in the future.

PROGRAM TITLE : Residential Geothermal Heat Pump

PROGRAM DESCRIPTION : The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is treating geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM ACCOMPLISHMENTS : At this time we have two geothermal installations completed in our service area. Several customers have inquired about this technology, therefore, we are confident that we will see a greater number of geothermal installations by the end of the current year and into the future..

PROGRAM FISCAL EXPENDITURES : The expenditures October 1996 through September 30, 1997 were \$1,908.

PROGRAM PROGRESS SUMMARY : Even though there is not a goal for this particular program we feel confident that by our efforts to promote this technology we will see a number geothermal installations in our service areas during the current year. We will continue to educate customers and strive to develop a network of installers in order to better promote this highly energy efficient heating and cooling source.

PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION : The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM ACCOMPLISHMENTS : The goal for this program is 136 participants. This has been a very successful program to date. Audits have been conducted for 285 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$20,324.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through radio, newspaper and cable TV that we will see increased participation in this program.

PROGRAM TITLE : Low Income Customer Energy Audits

PROGRAM DESCRIPTION : FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but based on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM ACCOMPLISHMENTS: No low income customer audits have been completed to date.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$1,356.

PROGRAM PROGRESS SUMMARY: The program goal is seventeen participants per year. At this time the agencies that we deal with to provide these services are currently at a standstill. Whether this is due to a lack of funding or aggressiveness on their part we cannot determine. We have made the contacts we need to make and will keep in touch with these organizations in order to stay up to date on their progress and needs.

PROGRAM TITLE : FPU Express Loan Program

PROGRAM DESCRIPTION : The objective of the FPU Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing from participating banks in FPUC's service area for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application to Southern Development and Investment Group once the customer decides to install the conservation features. Along with the application, the FPUC representative will also provide the bank with a copy of the energy audit and a list of the specific energy conservation features recommended. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. Confirmation of the installed features is provided to the participating bank. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM ACCOMPLISHMENTS: This year's goal is nine program participants. To date we do not have a FPUC Express Loan completed. Program participation is expected to increase as contractors, realtors and customers become more aware of the availability of the program.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$1,665.

PROGRAM PROGRESS SUMMARY : The contract agreement that was needed to offer this program was not signed until the end of the previous quarter. Full implementation of this program has now begun. We feel this program will be extremely successful due to increased advertising and our new promotional efforts. During Residential Audits we will also inform residents of the advantages of this program. We will continue to develop close relationships with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

PROGRAM TITLE : Enhanced Good Cents Home Program

PROGRAM DESCRIPTION : The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, condensable duct system, condensable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPU will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM ACCOMPLISHMENTS : A total of two Enhanced Good Cents Homes have been built to date with several more currently under construction.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$16,398.

PROGRAM PROGRESS SUMMARY : The program goal is thirty-seven participants by the end of the current year. We are considerably below our goal at this time due to the lack of customer and contractor awareness of the program and its benefits. On October 16, 1997, we presented the Enhanced Good Cents Program to the Nassau Builders council in order to familiarize them with the program. Program progress was also hindered due to the time frame required to properly train representatives for this position. Further informational presentations will be conducted to educate area builders, realtors, and suppliers. We feel these measures along with increased efforts in building partnerships with local contractors will enable us to make this program successful.

PROGRAM TITLE : Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION : The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these areas that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cents Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM ACCOMPLISHMENTS : To date, we have had one Good Cents Building qualification in Fernandina Beach.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$3,875.

PROGRAM PROGRESS SUMMARY : Even with the slow progression of commercial/industrial construction we feel we will exceed our goal of two Good Cents Buildings for the current year. By developing a plan of action to gain knowledge of possible projects before the design stage begins we feel that we will have success with this program. We have laid the foundation of customer trust in this area through our Commercial/Industrial Audit and Technical Assistance Program. We feel that with these changes the program goal will be met for the current year.

PROGRAM TITLE : Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION : FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTION : Commercial/Industrial Audits have been completed for sixteen customers to date.

PROGRAM FISCAL EXPENDITURES : Expenditures beginning October 1996 through September 30, 1997 were \$6,592.

PROGRAM PROGRESS SUMMARY : The DSM plan goal is ten participants for this particular program. Program participation has been excellent with several customers having participated thus far. This program has exceeded the set goal. We are optimistic that our commercial/industrial customers will involve us to a greater extent in future projects based upon the work we are currently doing in this area.