

ORIGINAL

LAW OFFICES  
MESSER, CAPARELLO & SELF  
A PROFESSIONAL ASSOCIATION

RECEIVED FPSC

215 SOUTH MONROE STREET, SUITE 701  
POST OFFICE BOX 1876  
TALLAHASSEE, FLORIDA 32302-1876  
TELEPHONE: (850) 222-0720  
TELECOPIER: (850) 224-4359  
INTERNET: www.lawfla.com

01 MAY 11 AM 11:08

RECORDS AND REPORTING

May 11, 2001

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**BY HAND DELIVERY**

Re: Docket No. 010002-EG

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of the following documents:

1. Florida Public Utilities Company's Petition for Approval of Conservation Cost Recovery True-Up Amount; 05907-01
2. Direct Testimony of Michael A. Peacock; and
3. Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and CT-6 for the Fernandina Beach Division and for the Marianna Division. 05908-01

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM *stay* \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
LEG *I* \_\_\_\_\_  
OPC \_\_\_\_\_  
PAI \_\_\_\_\_  
RGO \_\_\_\_\_  
SEC *I* \_\_\_\_\_  
SER \_\_\_\_\_  
OTH \_\_\_\_\_

NHH:amb  
Enclosures

cc: Mr. Mike Peacock  
Mr. Mark Cutshaw  
Ms. Julie Petty  
Mr. George Bachman  
Parties of Record

RECEIVED & FILED

*[Signature]*  
FPSC-BUREAU OF RECORDS

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 010002-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 January 1, 2000 through December 31, 2000 as compared to  
11 the true-up amounts previously reported for that period  
12 which were based on eight months actual and four months  
13 estimated data.

14 Q. Please state the actual amounts of over/under recovery of  
15 Conservation Program costs for both divisions of Florida  
16 Public Utilities Company for January 1, 2000 through December  
17 31, 2000.

18 A. The Company under-recovered \$8,085.00 in the Marianna

DOCUMENT NUMBER-DATE

05908 MAY 11 05

FPSC RECORDS/REPORTING

1 Division during that period. In the Fernandina Beach  
2 Division we under-recovered \$266.00. 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 November 2000 hearing?

8 A. We had estimated that we would over-recover \$8,378.00 in  
9 Marianna. In Fernandina Beach we had estimated an over-  
10 recovery of \$21,918.00 as of December 31,2000.

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

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

14 Q. Does this conclude your testimony?

15 A. Yes.

16

17 Conservation.doc

18 Peacocktest.400

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-00 THROUGH December-00

1	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2	FOR MONTHS January-00 THROUGH December-00		
3	END OF PERIOD NET TRUE-UP		
4	PRINCIPAL	<u>9,022</u>	
5	INTEREST	<u>(937)</u>	<u>8,085</u>
6	LESS PROJECTED TRUE-UP		
7	November-00 (DATE) HEARINGS		
8	PRINCIPAL	<u>(7,378)</u>	
9	INTEREST	<u>(1,000)</u>	<u>(8,378)</u>
10	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>16,463</u>

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 1 OF 36

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

		FOR MONTHS	January-00	THROUGH	December-00	
			<u>ACTUAL</u>		<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1.	LABOR/PAYROLL		59,094		61,042	(1,948)
2.	ADVERTISING		37,022		34,639	2,383
3.	LEGAL		5,825		5,918	(93)
4.	OUTSIDE SERVICES/CONTRACT		2,253		2,842	(589)
5.	VEHICLE COST		10,615		10,086	529
6.	MATERIAL & SUPPLIES		15,797		2,963	12,834
7.	TRAVEL		8,917		7,858	1,059
8.	GENERAL & ADMIN		11,293		9,762	1,531
9.	INCENTIVES		412		132	280
10.	OTHER		5,222		1,285	3,937
11.	SUB-TOTAL		156,450		136,527	19,923
12.	PROGRAM REVENUES					
13.	TOTAL PROGRAM COSTS		<u>156,450</u>		<u>136,527</u>	<u>19,923</u>
14.	LESS: PRIOR PERIOD TRUE-UP		22,189		22,189	0
15.	AMOUNTS INCLUDED IN RATE BASE					
16.	CONSERVATION ADJ REVENUE		125,239		121,716	3,523
17.	ROUNDING ADJUSTMENT					
18.	TRUE-UP BEFORE INTEREST		<u>9,022</u>		<u>(7,378)</u>	<u>16,400</u>
19.	ADD INTEREST PROVISION		(937)		(1,000)	63
20.	END OF PERIOD TRUE-UP		<u>8,085</u>		<u>(8,378)</u>	<u>16,463</u>

() REFLECTS OVERRECOVERY

\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS	TRAVEL	GENERAL	INCENTIVES	OTHER	SUB TOTAL	PROGRAM	TOTAL
	& PAYROLL					& SUPPLIES		& ADMIN.				REVENUES	
1 In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Direct Leakage Repair	2,408	519	0	0	0	0	0	0	0	0	2,927	0	2,927
3 Residential Geothermal Heat Pump	553	130	0	0	0	24	0	0	0	0	707	0	707
4 Residential Geothermal Audits	11,840	17,363	0	164	0	2,781	561	0	0	0	32,709	0	32,709
5 Low Income Customer Energy Audits	895	60	0	0	0	0	0	0	0	0	955	0	955
6 FPU Express	4,034	4,314	0	0	0	24	26	17	412	4,100	12,927	0	12,927
7 Enhanced Good Cents Home	10,677	14,536	0	0	0	4,108	2,898	632	0	0	32,851	0	32,851
8 Commercial/Industrial Good Cents Building	1,174	0	0	0	0	4,561	1,279	294	0	0	7,308	0	7,308
9 Commercial/Industrial Energy Audits & Tech Assist	2,527	0	0	1,248	0	1,729	176	27	0	0	5,707	0	5,707
10 Common	24,986	100	5,825	841	10,615	2,570	3,977	10,323	0	1,122	60,359	0	60,359
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
TOTAL ALL PROGRAMS	59,094	37,022	5,825	2,253	10,615	15,797	8,917	11,293	412	5,222	156,450	0	156,450

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

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR	ADVERTISING	LEGAL	OUTSIDE	VEHICLE	MATERIALS	TRAVEL	GENERAL	INCENTIVES	OTHER	SUB	PROGRAM	TOTAL
	& PAYROLL					& SUPPLIES		& ADMIN.					
1 In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Direct Leakage Repair	(569)	(1,073)	0	0	(333)	(33)	0	(534)	0	0	(2,542)	0	(2,542)
3 Residential Geothermal Heat Pump	(464)	(333)	0	0	(333)	(9)	0	(534)	0	(400)	(2,073)	0	(2,073)
4 Residential Energy Audits	2,017	4,103	0	(169)	(333)	2,748	(339)	(167)	0	0	7,860	0	7,860
5 Low Income Customer Energy Audits	(800)	(332)	0	0	(333)	(33)	0	(401)	0	0	(1,899)	0	(1,899)
6 FPU Express	805	(888)	0	0	(333)	(9)	1	(402)	280	4,100	3,554	0	3,554
7 Enhanced Good Cents Home	892	4,806	0	0	(333)	3,712	77	(95)	0	0	9,059	0	9,059
8 Commercial/Industrial Good Cents Building	(385)	(2,000)	0	(887)	(333)	4,188	(383)	(200)	0	0	200	0	200
9 Commercial/Industrial Energy Audits & Tech Assist	510	(2,000)	0	248	(333)	1,698	(333)	(134)	0	0	(346)	0	(346)
10 Common	(3,854)	100	(93)	(1)	3,193	594	2,036	3,998	0	237	6,110	0	6,110
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
TOTAL ALL PROGRAMS	(1,948)	2,383	(93)	(589)	529	12,834	1,059	1,531	280	3,937	19,923	0	19,923

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE CT-3  
PAGE 1 OF 3

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

FOR MONTHS January-00 THROUGH December-00

A CONSERVATION EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Direct Leakage Repair	168	245	275	133	77	58	165	448	174	481	242	461	2,927
3 Residential Geothermal Heat Pump	(17)	128	249	33	16	0	0	71	142	74	11	0	707
4 Residential Energy Audits	4,187	2,461	2,136	2,094	2,318	1,546	1,920	2,087	1,970	2,330	3,110	6,550	32,709
5 Low Income Customer Energy Audits	335	173	115	60	0	0	0	71	116	74	11	0	955
6 FPU Express	513	940	350	688	802	688	777	515	481	492	5,666	1,015	12,927
7 Enhanced Good Cents Home	1,330	1,573	1,414	1,910	2,719	2,128	2,826	2,592	3,713	2,308	3,197	7,141	32,851
8 Commercial/Industrial Good Cents Building	169	464	143	100	55	63	702	12	1,279	74	28	4,219	7,308
9 Commercial/Industrial Energy Audits & Tech Assist	123	154	165	239	37	41	195	599	291	335	173	3,355	5,707
10 Common	4,927	4,744	6,236	4,115	6,799	4,780	5,101	4,947	5,061	5,128	4,446	4,075	60,359
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21 TOTAL ALL PROGRAMS	11,735	10,882	11,083	9,372	12,823	9,304	11,666	11,342	13,227	11,296	16,884	26,816	156,450
22 LESS AMOUNT INCLUDED IN RATE BASE													
23 RECOVERABLE CONSERVATION EXPENSES	11,735	10,882	11,083	9,372	12,823	9,304	11,666	11,342	13,227	11,296	16,884	26,816	156,450

EXHIBIT NO \_\_\_\_\_  
DOCKET NO 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 5 OF 36



CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-00 THROUGH December-00

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES													
1 RESIDENTIAL CONSERVATION													0
2 CONSERVATION ADJ REVENUES	9,899	10,213	8,105	8,308	9,033	12,068	12,633	12,571	11,048	11,906	8,557	10,898	125,239
3 TOTAL REVENUES	9,899	10,213	8,105	8,308	9,033	12,068	12,633	12,571	11,048	11,906	8,557	10,898	125,239
4 PRIOR PERIOD TRUE-UP ADJ NOT APPLICABLE TO THIS PERIOD	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	22,189
5 CONSERVATION REVENUE APPLICABLE	11,748	12,062	9,954	10,157	10,882	13,917	14,482	14,420	12,897	13,755	10,406	12,748	147,428
6 CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	11,735	10,882	11,003	9,372	12,823	9,304	11,686	11,342	13,227	11,296	16,884	26,816	155,450
7 TRUE-UP THIS PERIOD (LINE 5 - 6)	13	1,180	(1,129)	785	(1,941)	4,613	2,796	3,078	(330)	2,459	(6,478)	(14,068)	(9,022)
8 INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	101	97	91	84	75	75	85	91	89	85	65	(1)	937
9 TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	22,189	20,454	19,882	16,995	16,015	12,300	15,139	16,171	17,491	15,401	16,096	7,834	22,189
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10 PRIOR TRUE-UP COLLECTED (REFUNDED)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(1,849)	(22,189)
11 TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	20,454	19,882	16,995	16,015	12,300	15,139	16,171	17,491	15,401	16,096	7,834	(1,065)	(8,085)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-00 THROUGH December-00

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	BEGINNING TRUE-UP (LINE B-9)	22,189	20,454	19,882	16,995	16,015	12,300	15,139	16,171	17,491	15,401	16,086	7,834	22,189
2	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	20,353	19,785	16,904	15,931	12,225	15,064	16,086	17,400	15,312	16,011	7,769	(8,084)	(9,022)
3	TOTAL BEG AND ENDING TRUE-UP	42,542	40,239	36,786	32,926	28,240	27,364	31,225	33,571	32,803	31,412	23,855	(250)	13,167
4	AVERAGE TRUE-UP (LINE C-3 X 50%)	21,271	20,120	18,393	16,463	14,120	13,682	15,613	16,786	16,402	15,706	11,933	(125)	6,584
5	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.60%	5.80%	5.80%	6.07%	6.18%	6.57%	6.58%	6.50%	6.48%	6.50%	6.49%	6.65%	
6	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.80%	5.80%	6.07%	6.18%	6.57%	6.58%	6.50%	6.48%	6.50%	6.49%	6.65%	6.50%	
7	TOTAL (LINE C-5 + C-6)	11.40%	11.60%	11.87%	12.25%	12.75%	13.15%	13.08%	12.98%	12.98%	12.99%	13.14%	13.15%	
8	AVG INTEREST RATE (C-7 X 50%)	5.70%	5.80%	5.94%	6.13%	6.38%	6.58%	6.54%	6.49%	6.49%	6.50%	6.57%	6.58%	
9	MONTHLY AVERAGE INTEREST RATE	0.475%	0.483%	0.495%	0.510%	0.531%	0.548%	0.545%	0.541%	0.541%	0.541%	0.548%	0.548%	
10	INTEREST PROVISION (LINE C-4 X C-9)	101	97	91	84	75	75	85	91	89	85	65	(1)	937

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA  
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN  
 FOR MONTHS January-00 THROUGH December-00

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 010002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (MAP-1)  
 PAGE 8 OF 36

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 January-00 THROUGH December-00

AUDIT EXCEPTION. TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 9 OF 36

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

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(MAP-2)  
PAGE 10 OF 36

**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.

**PROGRAM ACCOMPLISHMENTS:** The program goal for the reporting period is 17 participants. As of the end of this reporting period we have had a total of 18 participants in the Marianna service territory.

**PROGRAM FISCAL EXPENDITURES:** The expenditures January 1, 2000 through December 31, 2000 were \$2,927.

**PROGRAM PROGRESS SUMMARY:** We have been working with contractors and HVAC dealers on providing the necessary tools, equipment and knowledge in identifying duct leakage. The expertise we have exhibited to our contractors has built a confidence level that has made this program a success.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(MAP-2)  
PAGE 11 OF 36

**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:** Even though there are no goals set for this program we continue to promote this technology to our customers and HVAC contractors. We continue to see an increase in interest as our customers learn more about this technology.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2000 through December 31, 2000 were \$707.

**PROGRAM PROGRESS SUMMARY:** Even though there is no particular goal for this program we feel confident that by our efforts to promote this technology we will see a number of geothermal installations in our service area. We will continue to develop a confident working relationship with contractors by offering training and educational seminars in the future. We are working to certify local HVAC dealers in the geothermal installation procedure to aide in promoting 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 150 participants. This has been a very successful program to date. Audits have been conducted for 165 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$32,709.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through newspaper, radio and cable TV that we will continue to exceed our participant goals in this program in the future.



**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 base 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:** Program to date we have succeeded our goal even though we had no low-income customer audits during this reporting period.

**PROGRAM FISCAL EXPENDITURES:** Expenditures beginning January 1, 2000 through December 31, 2000 were \$955.

**PROGRAM PROGRESS SUMMARY:** The Marianna Division is currently working with low-income agencies to assist them with energy audits for their home owners.

PROGRAM TITLE: FPUC Express Loan Program

PROGRAM DESCRIPTION: The objective of the FPUC 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 to customers that choose to install energy conservation features in their existing 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 once the customer decides to install the conservation features. After the application has been approved, the customer will contact a licensed contractor 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 12 program participants. During this reporting period we have completed 4 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 for the reporting period January 1, 2000 through December 31, 2000 were \$12,927.

PROGRAM PROGRESS SUMMARY: To insure the success of this program we are pursuing other financial institutions so as to make it more convenient and appealing to our customers. We will continue to advertise this program on cable TV, radio and newspaper. During Residential Audits we will also inform residents of the advantages of this program. We continue to work 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. FPUC 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 to encourage energy conservation.

**PROGRAM ACCOMPLISHMENTS:** The year's goal is 52. A total of 58 Enhanced Good Cents Homes have been built during this reporting period.

**PROGRAM FISCAL EXPENDITURES:** Expenditures beginning January 1, 2000 through December 31, 2000 were \$32,851.

**PROGRAM PROGRESS SUMMARY:** We've enhanced our efforts in promoting contractor participation and customer benefits. We have conducted open house days to provide information to prospective home builders and information presentations have been made to educate area builders, realtors and suppliers. Through our increased efforts we have seen our participation numbers rise over the past year and we will continue to build on our success with even greater creative marketing efforts in order to reach our goal.

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 area 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 important 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: This year's goal is 3 and for this reporting period we have had four Good Cents Building qualifications in the Marianna service territory.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$7,308.

PROGRAM PROGRESS SUMMARY: We feel that we will continue our success with this program as we further develop relations with architects and contractors to gain knowledge of possible projects. We have laid the foundation of customer trust in this area through our Commercial/Industrial Audit and Technical Assistance Program and with this relationship we feel we will continue to exceed our program goal.

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: This year's goal is 15. A total of 23 Commercial/Industrial Audits have been completed to date.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$5,707.

PROGRAM PROGRESS SUMMARY: This program has been very successful and we are optimistic that our commercial/Industrial customers will involve us to a greater extent in future projects based upon the relationship of trust and knowledge.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-00 THROUGH December-00

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-00 THROUGH December-00		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>2,329</u>	
5.	INTEREST	<u>(2,063)</u>	<u>266</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-00 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(19,817)</u>	
9.	INTEREST	<u>(2,101)</u>	<u>(21,918)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>22,184</u></u>

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 19 OF 36

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

FOR MONTHS January-00 THROUGH December-00

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1. LABOR/PAYROLL	65,240	66,799	(1,559)
2. ADVERTISING	26,144	25,506	638
3. LEGAL	5,825	5,918	(93)
4. OUTSIDE SERVICES/CONTRACT	20,822	7,301	13,521
5. VEHICLE COST	9,646	10,172	(526)
6. MATERIAL & SUPPLIES	12,654	1,982	10,672
7. TRAVEL	8,581	6,403	2,178
8. GENERAL & ADMIN	16,989	13,060	3,929
9. INCENTIVES	0	433	(433)
10. OTHER	751	1,087	(336)
11. SUB-TOTAL	166,652	138,661	27,991
12. PROGRAM REVENUES			
13. TOTAL PROGRAM COSTS	166,652	138,661	27,991
14. LESS: PRIOR PERIOD TRUE-UP	43,337	43,337	0
15. AMOUNTS INCLUDED IN RATE BASE			
16. CONSERVATION ADJ REVENUE	120,986	115,141	5,845
17. ROUNDING ADJUSTMENT			
18. TRUE-UP BEFORE INTEREST	2,329	(19,817)	22,146
19. ADD INTEREST PROVISION	(2,063)	(2,101)	38
20. END OF PERIOD TRUE-UP	266	(21,918)	22,184

() REFLECTS OVERRECOVERY

\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR & ADVERTISING		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		GENERAL & INCENTIVES			OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	PAYROLL					ADMIN.	INCENTIVES	TRAVEL						
1 In Concert with the Environment (program eliminated)	181	0	0	0	0	0	0	0	0	0	0	181		181
2 Direct Leakage Repair	3,639	412	0	900	0	0	0	0	0	0	0	4,951		4,951
3 Residential Geothermal Heat Pump	2,400	350	0	208	0	24	0	0	0	0	0	2,982		2,982
4 Residential Energy Audits	9,034	11,970	0	0	0	2,933	480	322	0	0	0	24,739		24,739
5 Low Income Customer Energy Audits	612	1,461	0	0	0	0	0	0	0	0	0	2,073		2,073
6 FPU Express	2,110	3,283	0	12,709	0	176	0	2,004	0	45	0	20,327		20,327
7 Enhanced Good Cents Home	11,448	7,668	0	1,630	0	2,933	2,142	2,587	0	60	0	28,468		28,468
8 Commercial/Industrial Good Cents Building	4,964	350	0	420	23	3,640	1,248	760	0	45	0	11,450		11,450
9 Commercial/Industrial Energy Audits & Tech. Assit.	5,779	350	0	4,127	22	1,764	334	2,327	0	0	0	14,703		14,703
10 Common	25,073	300	5,825	828	9,601	1,184	4,377	8,989	0	601	0	56,778		56,778
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
TOTAL ALL PROGRAMS	65,240	26,144	5,825	20,822	9,646	12,654	8,581	16,989	0	751	0	166,652	0	166,652



COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-2  
PAGE 3 OF 3

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

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR	ADVERTISING	LEGAL	OUTSIDE	VEHICLE	MATERIALS	GENERAL	SUB	PROGRAM	TOTAL	PROGRAM	TOTAL	
	& PAYROLL												& ADMIN.
1 In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	
2 Direct Leakage Repair	(648)	(617)	0	900	(367)	(133)	(233)	33	0	0	(1,065)	0	(1,065)
3 Residential Geothermal Heat Pump	(420)	17	0	0	(400)	24	0	(101)	(433)	0	(1,313)	0	(1,313)
4 Residential Energy Audits	253	3,043	0	(500)	(400)	2,614	(161)	(184)	0	0	4,665	0	4,665
5 Low Income Customer Energy Audits	(782)	1,128	0	0	(400)	(133)	0	(301)	0	0	(480)	0	(480)
6 FPU Express	(1,264)	(46)	0	12,709	(400)	(110)	0	(101)	0	45	10,833	0	10,833
7 Enhanced Good Cents Home	2,027	(187)	0	1,507	(400)	2,647	664	311	0	0	6,769	0	6,769
8 Commercial/Industrial Good Cents Building	(242)	(1,617)	0	(1,667)	(368)	3,354	(28)	78	0	45	(443)	0	(443)
9 Commercial/Industrial Energy Audits & Tech Assit	153	(1,283)	0	572	(367)	1,631	(271)	1,951	0	0	2,386	0	2,386
10 Common	(636)	200	(93)	0	2,574	778	2,007	2,243	0	(426)	6,647	0	6,647
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
TOTAL ALL PROGRAMS	(1,559)	638	(93)	13,521	(526)	10,672	2,178	3,929	(433)	(336)	27,991	0	27,991

EXHIBIT NO \_\_\_\_\_  
DOCKET NO 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 22 OF 36

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

FOR MONTHS January-00 THROUGH December-00

A	CONSERVATION EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	In Concert with the Environment (program eliminated)	167	14	0	0	0	0	0	0	0	0	0	0	181
2	Direct Leakage Repair	464	93	102	246	280	289	442	600	1,000	43	651	741	4,951
3	Residential Geothermal Heat Pump	483	376	146	181	259	124	304	322	104	132	504	47	2,982
4	Residential Energy Audits	1,275	1,612	2,760	809	1,999	1,933	960	2,026	914	2,099	4,039	4,313	24,739
5	Low Income Customer Energy Audits	480	63	0	0	0	18	0	0	1,062	450	0	0	2,073
6	FPU Express	613	(76)	692	181	137	3,757	656	(566)	1,241	347	564	12,781	20,327
7	Enhanced Good Cents Home	962	1,802	1,508	869	1,808	3,231	2,208	2,211	3,857	643	4,478	4,891	28,468
8	Commercial/Industrial Good Cents Building	629	999	804	372	428	548	354	659	1,556	434	792	3,675	11,450
9	Commercial/Industrial Energy Audits & Tech Assit	637	2,353	1,071	485	519	514	343	495	1,644	484	836	5,322	14,703
10	Common	6,277	6,053	6,121	3,847	5,538	3,096	4,229	4,870	3,947	4,543	4,078	4,179	56,778
11.														
12.														
13.														
14.														
15.														
16.														
17.														
18.														
19.														
20.														
21	TOTAL ALL PROGRAMS	11,987	13,289	13,204	6,990	10,968	13,510	9,496	10,617	15,325	9,175	15,942	36,149	166,652
22	LESS AMOUNT INCLUDED IN RATE BASE													
23	RECOVERABLE CONSERVATION EXPENSES	11,987	13,289	13,204	6,990	10,968	13,510	9,496	10,617	15,325	9,175	15,942	36,149	166,652

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-3  
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-00 THROUGH December-00

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 RESIDENTIAL CONSERVATION													0
2 CONSERVATION ADJ REVENUES	9,033	9,928	9,253	8,268	10,566	10,780	11,573	11,386	10,470	11,386	8,826	9,517	120,986
3 TOTAL REVENUES	9,033	9,928	9,253	8,268	10,566	10,780	11,573	11,386	10,470	11,386	8,826	9,517	120,986
4 PRIOR PERIOD TRUE-UP ADJ NOT APPLICABLE TO THIS PERIOD	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,616	43,337
5 CONSERVATION REVENUE APPLICABLE	12,644	13,539	12,864	11,879	14,177	14,391	15,184	14,997	14,081	14,997	12,437	13,133	164,323
6 CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	11,987	13,260	13,204	6,990	10,968	13,510	9,496	10,617	15,325	9,175	15,942	36,149	166,652
7 TRUE-UP THIS PERIOD (LINE 5 - 6)	657	250	(340)	4,889	3,209	881	5,688	4,380	(1,244)	5,822	(3,505)	(23,016)	(2,329)
8 INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	199	188	175	175	185	184	182	189	179	173	163	71	2,063
9 TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	43,337	40,582	37,409	33,633	35,086	34,869	32,323	34,582	35,540	30,864	33,248	26,295	43,337
9A DEFERRED TRUE-UP BEGINNING OF PERIOD													
10 PRIOR TRUE-UP COLLECTED (REFUNDED)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,611)	(3,616)	(43,337)
11 TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	40,582	37,409	33,633	35,086	34,869	32,323	34,582	35,540	30,864	33,248	26,295	(266)	(266)

EXHIBIT NO \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 24 OF 36

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-3  
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-00 THROUGH December-00

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	BEGINNING TRUE-UP (LINE B-9)	43,337	40,582	37,409	33,633	35,086	34,869	32,323	34,582	35,540	30,864	33,248	26,295	43,337
2	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	40,383	37,221	33,458	34,911	34,684	32,139	34,400	35,351	30,685	33,075	26,132	(337)	(2,329)
3	TOTAL BEG. AND ENDING TRUE-UP	83,720	77,803	70,867	68,544	69,770	67,008	66,723	69,933	66,225	63,939	59,380	25,958	41,008
4	AVERAGE TRUE-UP (LINE C-3 X 50%)	41,860	38,902	35,434	34,272	34,885	33,504	33,362	34,967	33,113	31,970	29,690	12,979	20,504
5	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.60%	5.80%	5.80%	6.07%	6.18%	6.57%	6.58%	6.50%	6.48%	6.50%	6.49%	6.65%	6.50%
6	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.80%	5.80%	6.07%	6.18%	6.57%	6.58%	6.50%	6.48%	6.50%	6.49%	6.65%	6.50%	
7	TOTAL (LINE C-5 + C-6)	11.40%	11.60%	11.87%	12.25%	12.75%	13.15%	13.08%	12.98%	12.98%	12.99%	13.14%	13.15%	
8	AVG INTEREST RATE (C-7 X 50%)	5.70%	5.80%	5.94%	6.13%	6.38%	6.58%	6.54%	6.49%	6.49%	6.50%	6.57%	6.58%	
9	MONTHLY AVERAGE INTEREST RATE	0.475%	0.483%	0.495%	0.510%	0.531%	0.548%	0.545%	0.541%	0.541%	0.541%	0.548%	0.548%	
10	INTEREST PROVISION (LINE C-4 X C-9)	199	188	175	175	185	184	182	189	179	173	163	71	2,063

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 25 OF 36

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-4  
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-00 THROUGH December-00

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. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 26 OF 36

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 January-00 THROUGH December-00

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MAP-1)  
PAGE 27 OF 36

1. DUCT LEAKAGE REPAIR
2. RESIDENTIAL GEOTHERMAL HEAT PUMP
3. GOODCENTS ENERGY SURVEY
4. LOW INCOME CUSTOMER ENERGY AUDITS
5. GOODCENTS LOAN PROGRAM
6. GOOD CENTS HOME/ENERGY STAR
7. GOOD CENTS COMMERCIAL BUILDING
8. GOODCENTS COMMERCIAL TECHNICAL ASSISTANCE

EXHIBIT NO. \_\_\_\_\_

DOCKET NO. 010002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(MAP-2)  
PAGE 28 OF 36

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 eighteen (18) participants. As of the end of this reporting period we have had a total of twenty-seven (27) participants in the Fernandina Beach service territory.

PROGRAM FISCAL EXPENDITURES: The expenditures January 1, 2000 through December 31, 2000 were \$4,951.

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 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 have had one geothermal installation completed in our service area within the reporting period. Many customers are beginning to learn more about this technology, therefore, we are confident that we will see a greater number of geothermal installations in the future.

PROGRAM FISCAL EXPENDITURES: The expenditures January 1, 2000 through December 31, 2000 were \$2982.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this 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: GoodCents Energy Survey Program

PROGRAM DESCRIPTION: The objective of the GoodCents Energy Survey 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 150 participants. This has been a very successful program to date. Audits have been conducted for 220 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$24,739.

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

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 base 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: 0 low-income customer audits have been completed to date.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$2,073.

PROGRAM PROGRESS SUMMARY: The program goal is twenty-two (22) 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: GoodCents Loan Program

PROGRAM DESCRIPTION: The objective of the GoodCents 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 to customers that choose to install energy conservation features in their existing 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 the participating bank once the customer decides to install the conservation features. After the application has been approved, the customer will contact a licensed contractor 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 thirteen (13) program participants. To date three (3) FPUC Express Loans have been 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 January 1, 2000 through December 31, 2000 were \$20,327.

PROGRAM PROGRESS SUMMARY: Full implementation of this program has 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: Good Cents Home/ Energy Star 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. FPUC 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 fifty-three (53) Enhanced Good Cents Homes have been built to date with several more currently under construction.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$28,468.

PROGRAM PROGRESS SUMMARY: The program goal is fifty-three (53) participants by the end of the current year. We will continue to build on our success with even greater creativity and better marketing efforts, to continue exceeding our goals in the coming year.

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 area 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 four (4) Good Cents Building qualifications in the Fernandina Beach service territory.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$11,450.

PROGRAM PROGRESS SUMMARY: The goal for this program is three (3) 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 greater success with this program. We have laid the foundation of customer trust in this area through our Commercial/Industrial Audit and Technical Assistance Program.

PROGRAM TITLE: GoodCents Commercial Technical Assistance Program

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 thirteen (13) customers to date.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2000 through December 31, 2000 were \$14,703.

PROGRAM PROGRESS SUMMARY: The DSM plan goal is fifteen (15) participants for this particular program. Program participation has been excellent with several customers having participated thus far. This program has exceeded 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.