

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 30, 2004
TO: Shevie Brown, Division of Competitive Markets and Enforcement
FROM: Denise N. Vandiver, Chief, Bureau of Auditing *W*
Division of Regulatory Compliance and Consumer Assistance
RE: **Docket No.** 040004-GU ; **Company Name:** Florida Public Utilities Co. ; **Audit Purpose:** Gas Conservation Recovery Clause ;
Audit Control No. 04-057-4-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of the Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV/jcp
Attachment

cc: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)
Division of the Commission Clerk and Administrative Services (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

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DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION

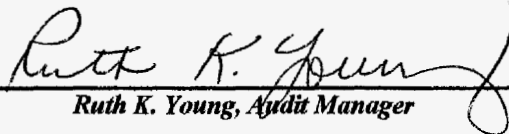
*DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
BUREAU OF AUDITING*

Miami District Office

**FLORIDA PUBLIC UTILITIES COMPANY
GAS CONSERVATION RECOVERY CLAUSE**

HISTORICAL PERIOD ENDED DECEMBER 31, 2003

**DOCKET NO. 040004-GU
AUDIT CONTROL NO. 04-057-4-1**


Ruth K. Young, Audit Manager


Kathy L. Welch, District Audit Supervisor

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
BUREAU OF AUDITING**

JUNE 17, 2003

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED
PARTIES**

We have applied the procedures described later in this report to the attached Conservation Cost Recovery schedules for the period ended December 31, 2003 for Florida Public Utilities Company Gas Division. These schedules were prepared by the utility as part of its petition for Conservation Cost Recovery in Docket 040004-GU.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Scanned- The documents or accounts were read quickly looking for obvious errors.

Compiled- The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed- The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Examined- The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Confirmed-Evidential matter supporting an account balance, transaction or other information was obtained directly from an independent third party.

Verified- The item was tested for accuracy, and substantiating documentation was examined.

Conservation Recovery Schedules: Traced the filing to the general ledger. Reconciled revenues to the revenue and rate reports. Recalculated revenues to verify that the correct rate was used.

Examined all expense accounts for unusual entries and reviewed those invoices for compliance with the programs' guidelines and Commission policy. Recalculated payroll and determined how job descriptions relate to conservation.

True-up Calculation- Recalculated the true up provision for the twelve months ended December 31, 2003 to determine the accuracy of the current true-up amount for the period under audit. Traced the interest rates to the Wall Street Journal-30 day Commercial Paper Rate.

AUDIT EXCEPTION 1

SUBJECT: ADVERTISING CRITERIA

STATEMENT OF FACTS: In Commission Rule 25-17.015(5), Florida Administrative Code, the Commission set forth standards for conservation advertising. They are:

1. Is the ad related to an approved conservation program?
2. Does the advertising address a specific problem?
3. Does the ad state how to correct the problem?
4. Does the ad provide direction on how to obtain help to alleviate the problem?

The haphazard sample of advertising and promotion invoices revealed that many of the ads did not meet this criteria.

Part of the campaign included billboards which read "Energy for Life" with the Florida Public Utilities Logo and the Good Cents Logo with the company web site address and phone number. The total of these ads from the sample is \$20,954.

The company participated with Peoples Gas, and City Gas in paying for a billboard that included generic gas advertising. The amount charged to conservation was \$2,551.92.

The company sponsored the West Palm Beach Walk America for the March of Dimes which included signs on the back of buses saying "FPUC, Keeping Life Simple, Good Cents Logo and web site address." The amount charged to conservation was \$5,000.

The company ran ads promoting gas, not relating to any conservation programs for a total of \$240.

Promotion items were purchased to give away at fairs, festivals, conferences, etc. Many promotion items did not specify conservation. They contained the name of the company, Energy for Life Logo, Good Cents Logo and web site address. The amount of these items was \$16,013.98.

Sixty-seven polo shirts with the FPUC logo, Good Cents Logo and web site address were purchased for personnel who manned the booth at the Sunfest 2003 fair. These cost \$2,340.48.

The detail of each individual cost is on the attached schedule.

OPINION: The above amounts totaling \$47,100.38 do not meet the criteria specified in the rule. The company should make sure its advertising campaigns meet the Commission criteria.

COMPANY: FPUC - GAS CONSERVATION
 TITLE: ADVERTISING AND PROMOTIONS
 PERIOD: YEAR END DECEMBER 31, 2003

Advertising Charges relating to Non-Specific Ads							Amount to
Invoice No.	Date	Payee	Description	Account	Total Amount		reduce for non conservation
4710	06/01/03	E.W. Bullock	Promoting Gas, not any conservation programs	121.909	120.00		120.00
Exhibit 1				123.909	120.00		120.00

							240.00
							=====
10488	10/01/03	E.W. Bullock	Billboard "Energy for Life" with Good Cents Logo	121.909	7,560.00		3,780.00
Exhibit 2			"Great Rebates"				
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							
10200	08/01/03	EW Bullock	Billboard Set up	121.909	1,407.00		703.50
			"Energy for Life" with Good Cent Logo and "Great Rebates"	121.909	1,407.00		703.50
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							
10573	11/01/03	EW Bullock	Billboard Charges	121.909	7,560.00		3,780.00
			"Energy for Life" with Good Cents Logo and "Great Rebates"				
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							
10330	09/01/03	EW Bullock	Billboard Charges	121.909	3,310.00		3,310.00
			"Energy for Life" with Good Cents Logo				
All for Energy for Life							
	09/23/93	EVOK Advertising	Billboard Charges	123.909	1,150.00		575.00
			"Energy for Life" with Good Cent Logo and "Great Rebates"	123.909	1,150.00		575.00
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							
	10/05/03	EVOK Advertising	Billboard Charges	123.909	1,707.00		853.50
			"Energy for Life" with Good Cent Logo and "Great Rebates"	123.909	1,707.00		853.50
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							
153	08/21/03	EVOK Advertising	Rental for Billboards				
			Invoice for first two months of six month contract				
			Sept and Oct,	123.909	5,820.00		2,910.00
			Nov and Dec.	123.909	5,820.00		2,910.00
			"Energy for Life" with Good Cents Logo and "Great Rebates"				

							20,954.00
Total for two billboards, one for Energy for Life and one for Great Rebates. Great Rebate ad met guidelines. Took out 1/2 for Energy for Life.							

COMPANY: FPUC - GAS CONSERVATION
 TITLE: ADVERTISING AND PROMOTIONS
 PERIOD: YEAR END DECEMBER 31, 2003

Exhibit 3	6414	01/08/03	MTN, Inc.	Generic Billboard Advertising	121.908	2,112.99	2,112.99
				Gas Only split between TECO/PeoplesGas, NUI/City, FPUC, and CGF.	123.908	438.93	438.93
							----- 2,551.92 =====
Exhibit 4		03/14/03	March of Dimes	Sponsorship of WPB Walk America. Signs on the back of buses. "FPUC, Keeping Life Simple, Good Cents Logo and web site.	121.909	5,000.00	5,000.00 =====
Exhibit 5		06/19/03	Brown & Bigelow	Umbrellas with name, Good Cents and slogan "Comfort, Convenience, Conservation"	123.909	1,260.11	1,260.11
					121.909	3,110.59	3,110.59
Exhibit 6		04/01/03	Brown & Bigelow	House Shaped Sponges Name, Energy for Life Logo and Good Cents Logo, and Web Site	121.909	4,572.66	4,572.66
Exhibit 7		01/23/03	Brown & Bigelow	Pens with FPUC, and Good Cents Logo	123.909	377.56	377.56
Exhibit 9		05/16/03	Brown & Bigelow	Promotional Items with FPUC,	123.909	867.43	867.43
				Energy For Life, Website and	123.909	461.06	461.06
				05/16/03 Brown & Bigelow	123.909	910.62	910.62
Exhibit 8		04/03/03	Brown & Bigelow	Promotional Item, Spectrum Gift Set comprised of a pen and letter opener with the name Florida Public Utilities, Good Cents and web site.	121.910	3,340.46	3,340.46
					121.910	1,113.49	1,113.49
							----- 16,013.98 =====
		04/29/03	Monark Monograms	67 Polo Shirts with FPUC logo, Good Cents Logo and website for Sunfest	121.909	2,340.48	2,340.48 -----

Why has the price of natural gas increased?

Natural gas, which is clean, efficient and reliable, is increasingly popular for use in homes, businesses, and for electric power generation. But supplies of natural gas have not kept pace with the growing demand, and the market price of gas reflects this.

Keep in mind that Florida Public Utilities purchases wholesale natural gas from producers. **The price we pay for gas is passed directly on to our customers without mark-up.**

I should probably switch to electricity because its price is remaining steady, right?

Part of the rise in demand for natural gas is caused by electric generation plants that use natural gas to power their facilities, so electric customers are also seeing price increases. Neither is immune to the price increase since, in large part, they are interdependent.

<i>The Purchase Gas Adjustment and Fuel Service Charges Customers Have Been Paying Each Month</i>	
In Cents	
March 2003:	82.860c per therm
February 2003	65.000c per therm
January 2003:	55.000c per therm
December 2002:	50.000c per therm

Why has demand for natural gas outpaced supplies?

Natural gas meets one-fourth of the energy needs of the United States and Canada. More than 80 percent of the natural gas consumed in the United States is produced in this country, with most of the remainder coming from Canada.

More than 6,000 U.S. companies produce natural gas. But many natural gas wells have been producing for years and have reached their maturity. They are becoming depleted. Because it is more difficult to pull natural gas from mature wells there is a growing need for gas suppliers to be able to move to fresh supply areas where the best and most up-to-date technologies can be used to locate and produce more natural gas.

Do you mean we have a shortage of natural gas?

Actually North America holds abundant untapped supplies of natural gas so to say there is a “shortage” is incorrect. As a matter of fact, natural gas supplies in the U.S. were recently found to be much larger than had been thought. U.S. natural gas resources, much of it untapped, are estimated to be enough to last more than 60 years at current production rates. What the natural gas industry and its customers are experiencing is a period of tight supplies. Homes and businesses that use natural gas will continue to receive the natural gas they want and expect, but it will come at a price that is higher than last year.

What can be done to alleviate the price crunch?

Unfortunately, options are fairly limited over the next few years and the price crunch may affect natural gas customers until new sources of gas can come online, a process that will take some time. However, there are things that can be done in the short term. They include:

- **Increasing supplies of natural gas.** It typically takes 6-18 months before there is a sustained increase in supplies from domestic sources in response to higher prices. Further, the feasibility of importing Liquefied Natural Gas increases as pricing supports development of the infrastructure to bring that gas to the marketplace.

- **Decrease demand.** Large industrial users of natural gas can slow production to decrease the amount of natural gas they use. However, these types of actions can lead to a slow down on production lines and can have a detrimental effect on American workers, local economies and corporate earnings.
- **Energy conservation.** Natural gas customers can help suppliers and themselves by taking steps to conserve energy. For example, during the hot summer months, consumers can cut back on their use of electricity, a move that eases the amount of natural gas used to generate electric power. Prior to cold weather consumers can make sure their homes are adequately insulated.

What can be done to make sure consumers do not experience drastic price swings in the prices they pay for natural gas over the next few years?

Natural gas utilities are taking steps to cushion the impact of price fluctuations on their customers. Some of those steps include:

- Purchasing natural gas in the spring and summer months when demand is less and storing it underground for use in colder winter months. About 20 percent of the natural gas used in winter typically is bought in warmer months and stored. This policy helps to ensure there is ample natural gas on hand to meet customer's needs.
- More than half the states allow utilities to "hedge." The policy allows utilities to enter into financial transactions that limit price exposure. Natural gas suppliers shop a variety of sources for the best prices on natural gas and pass any savings along to their customers.

How long is this natural gas shortage expected to last?

Different energy analysts and industry groups have differing estimates of how long this shortage may last. The duration of the event will depend of the market forces affecting supply and demand.

Will the price of electricity be affected by the rise in natural gas prices?

Many electric generating plants use natural gas as the prime source of fuel because it is clean and efficient. Naturally, the rise in natural gas prices will be felt by those electric utilities and in most cases that price increase will be passed along to their customers.

Florida Public Utilities
Gas Price Q&A
For Internal Use— July 8, 2003

(To use as background information when speaking with the media, answering customer questions. Not for use on web site, in brochures, in bill inserts. We have a separate version for that use.)

Did this shortage "sneak up" on the natural gas industry?

The current "shortage" the natural gas industry is experiencing is the culmination of a number of market factors: (1) A colder than normal winter 02/03, (2) Increase natural gas demand from electrical generation, (3) inadequate pricing support to spur exploration for natural gas.

People in the industry must have known this was coming for quite some time. Why haven't they done more to build up reserves or tap new sources of natural gas?

The natural gas market is highly volatile. Speculations about weather, economic recovery, and many other factors affect price. The price for natural gas then determines the economic viability for the exploration and production of natural gas.

Why have they waited until rate hikes are already starting to take effect before warning and informing the public?

The natural gas market did not anticipate the extremely cold winter that we recently experienced nor did it anticipate the markets reaction. Natural gas in storage was at a 5-year high going into the winter and was depleted well below 5-year lows at the end of the season. This caused the market to spike and to sustain current pricing levels. Basically, we did not know how or how long the market was going to react.

The industry mantra seems to be that long-range solutions to this problem are to provide incentives to support the exploration for natural gas reserves in Alaska and in the continental United States and to import Liquefied Natural Gas ("LNG").

If, as the industry claims, recent surveys show much larger reserves of natural gas in this country than was previously thought, are all those reserves in controversial areas like offshore and in wilderness preserves?

Some of the reserves are in environmentally sensitive areas (i.e. offshore Florida & California, Alaskan National Artic Refuge), others are in areas that require significant investment in technology to exploit (i.e. deep water Gulf of Mexico and Coalbed Methane).

Why hasn't more been done to tap into the available reserves in less controversial areas in a timelier manner?

Economic feasibility.

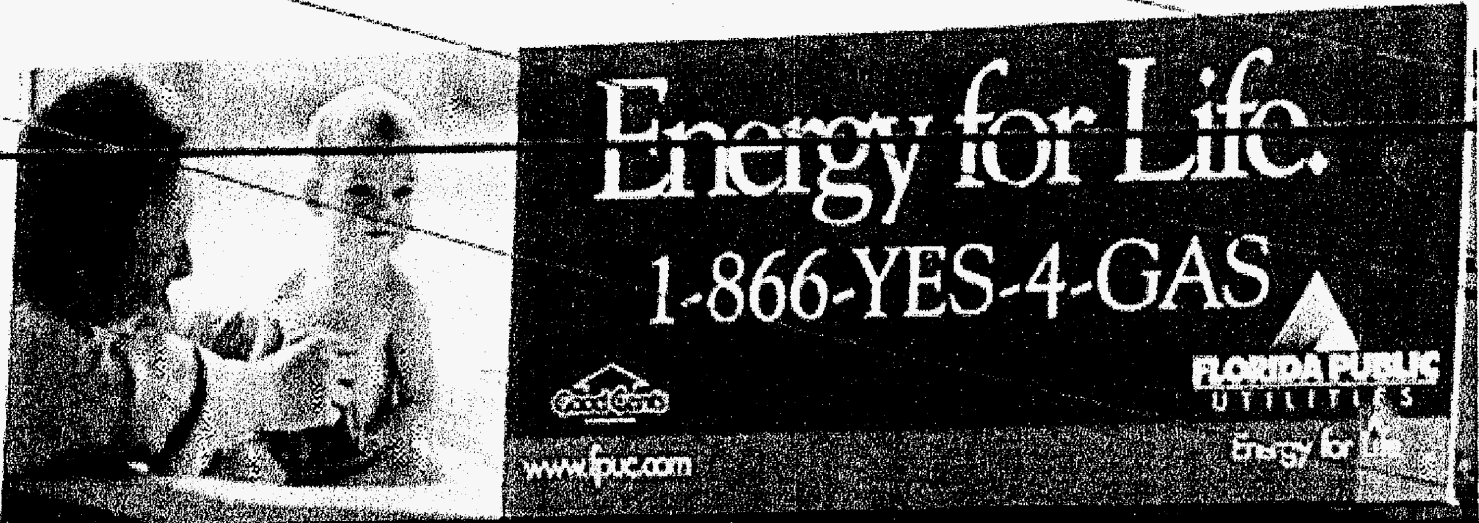
Thinking about the recent energy "crisis" in California that, it now turns out was manufactured and manipulated by energy companies to increase profits, makes one wonder if the natural gas suppliers are doing something similar.

FPUC purchases natural gas wholesale from producers and passes it along to customers without mark-up. FPUC has nothing to gain financially from higher gas prices.



On occasion customers have inquired as to what the estimated cost of natural gas will be in 2004. Below is the recommended response.

At this time, Florida Public Utilities Company does not anticipate an increase in distribution rates. FPU does change its cost of gas to customers (PGA) on a monthly basis to reflect current market prices. Unfortunately, FPU is unable to provide a forecast of market prices for 2004.

✻



Energy for Life.
1-866-YES-4-GAS

 
www.fpu.com Energy for Life

CLEAR CHANNEL

001935



Exhibit 2
Pg. 2 of 3





Build It with Natural Gas!
Conserve Energy. Save Money.

Log On!  **GetGasFL.com**



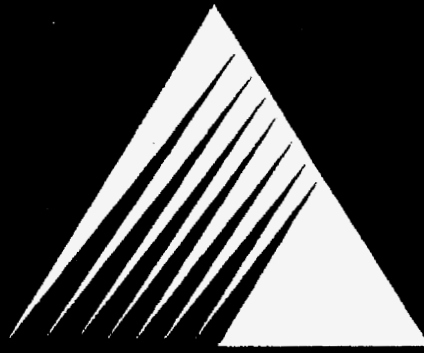
**Cure the Common, Cold
Shower... With Natural Gas!**

Log On!  **GetGasFL.com**



Conserve Energy. Save Money. Switch to Natural Gas!





FLORIDA PUBLIC

UTILITIES



Keeping Life Simple
www.fpuc.com



**Comfort
Convenience
Conservation**


**FLORIDA PUBLIC
UTILITIES**
www.fpuc.com

P. 02/02



SOUTHERN REGIONAL OFFICE

Remit To: P.O. Box 931536, Atlanta, GA 31193

Phone: 954-625-2900 Fax: 954-316-9995

CUSTOMER NO.	S O L D T O	Florida Public Utilities ATTN: 401 So Dixie Highway West Palm Beach FL 33401	S H I P T O V I A	Florida Public Utilities ATTN: 401 So Dixie Highway West Palm Beach FL 33401
JOB NO.		UPS GroundTrak FOB Factory		

OF
Florida Pu
CUSTO.

UNIT NO.	CUSTOMER P.O. NO.	SALESPERSON	ORDER DATE	INVOICE DATE	DATE SHIPPED	INVOICE NO.
0		Andrew Hirsch	03/06/03	04/01/03	03/17/03	115981

CUST NO. SALESPE

QUAN. ORD.	QUAN. SHP.	QUAN. B.O.	DESCRIPTION	PRICE		AMOUNT
5000	5000	1	5" HOUSE SHAPED SPONGES	0.840	E	4200.00
			SET UP CHARGE	25.000	E	25.00
			PROOF REQUIRED	10.000	E	10.00



Energy for Life.



www.fpuc.com

DIP IN WATER SEE WHAT HAPPENS

Sponge

*Chambre
Please process for payment.
See if this can be expedited.
We never received the
original invoice.*

*Lee
121.466.909 (70151)*

5/7/03

4235.00	83.56	254.10	PLEASE PAY THIS AMOUNT	4572.66	4572.66
SGR-TOTAL	INS.	FRT/HANDLING	SALES TAX	TOTAL	

within 30 days may be assessed an ANNUAL percentage

THANK YOU

We appreciate your business
ORIGINAL INVOICE

FHA NU.

19

Exhibit 6

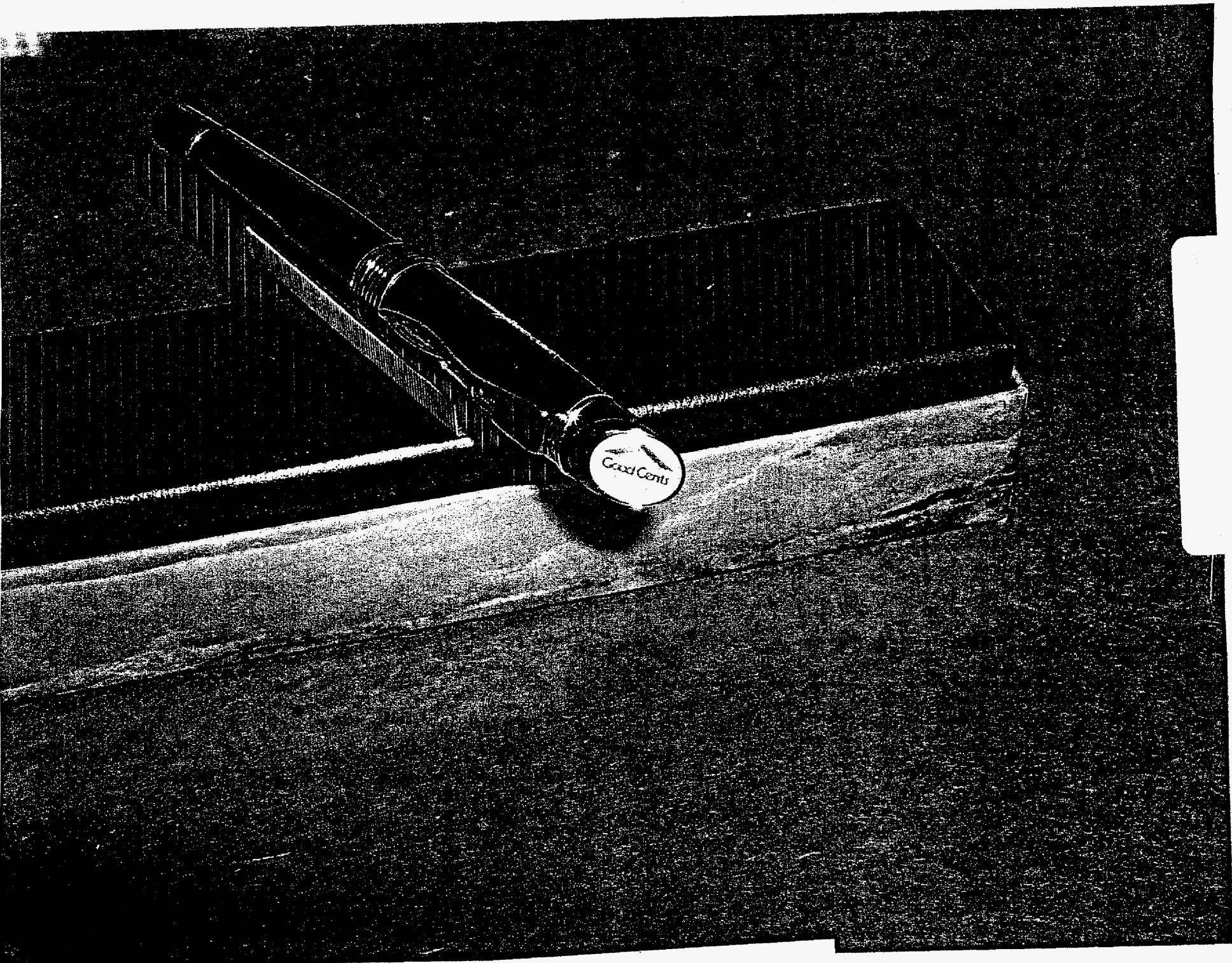


Exhibit 7

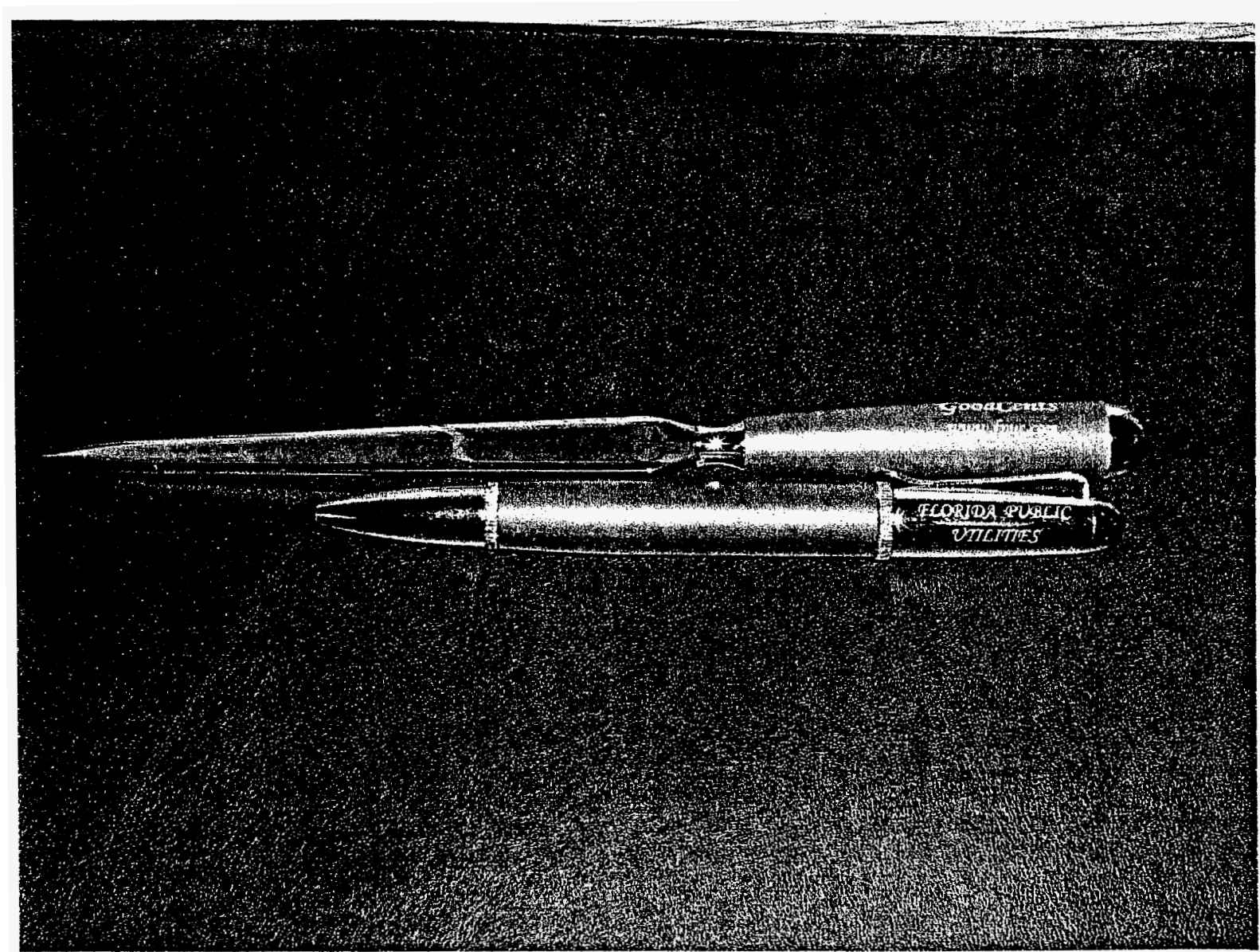
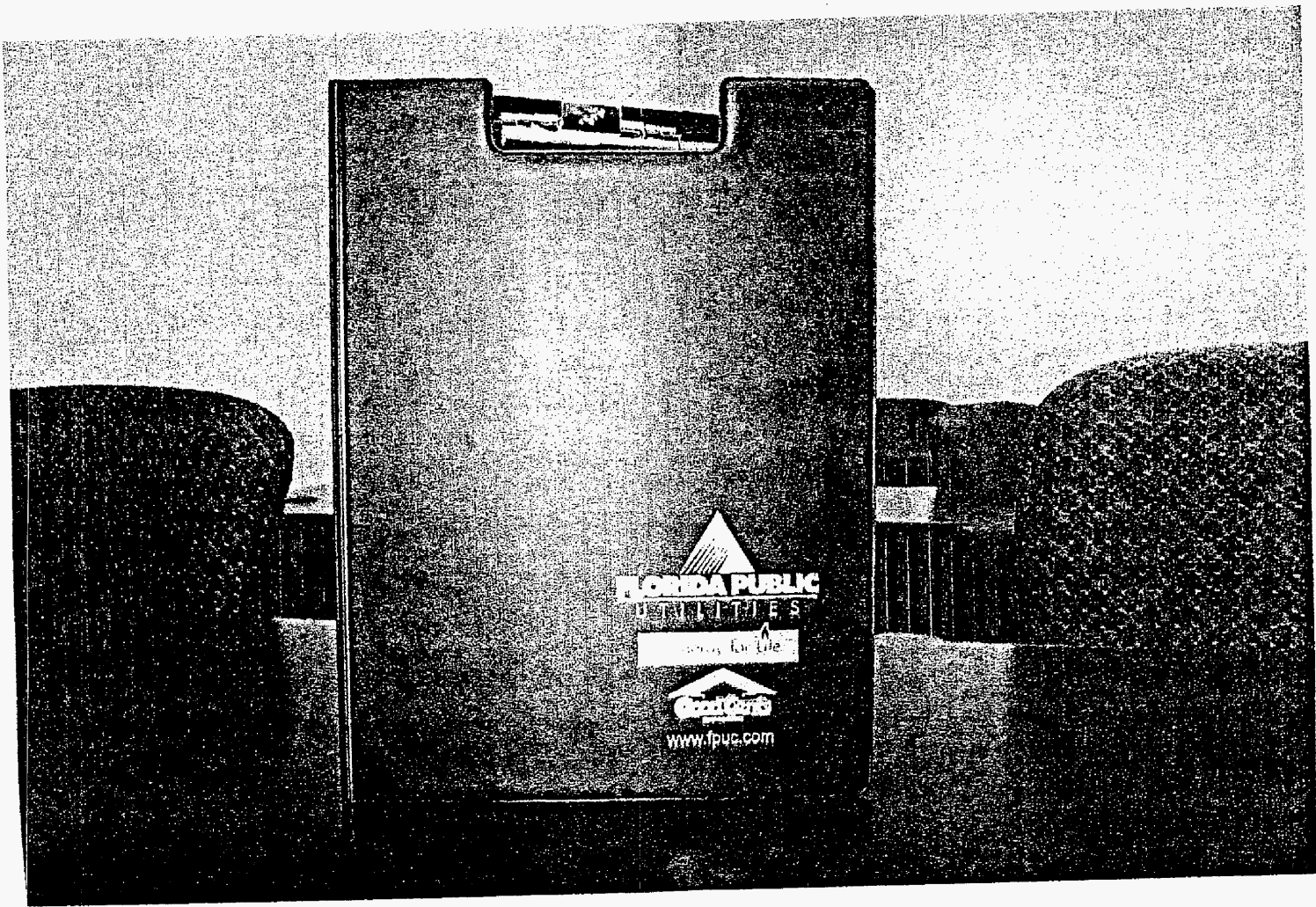
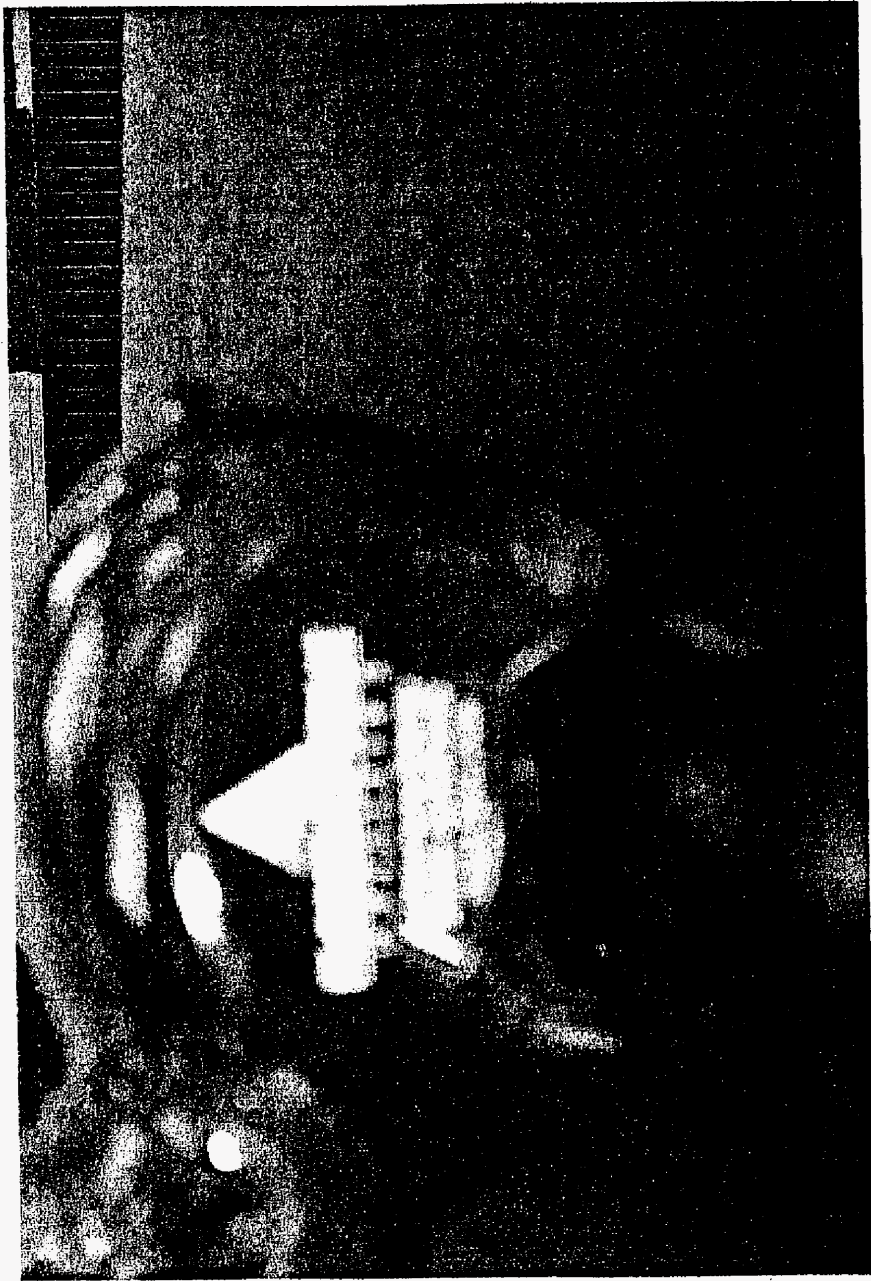


Exhibit 8





AUDIT EXCEPTION 2

SUBJECT: CHARGES FOR NON-CONSERVATION ITEMS

STATEMENT OF FACTS:

1. The company purchased 12 airline tickets to Hilton Head Island to attend the Southern Gas Association Conference for a total of \$3,744. Six of those tickets (\$1,872) were for spouses.
2. Included in an invoice from EW Bullock dated 1/3/03 in the amount of \$1,058.15 were charges in conservation accounts for ads that also mentioned propane in the amount of \$220, and miscellaneous charges in the amount of \$718.15 that were all allocated to gas conservation only.
3. Costs to have a graphic painted on a tank were included in conservation in error in the amount of \$974.73.
4. The Company purchased tickets to the Daytona 500 for one of the plumbing suppliers for \$379. Of this amount \$126 was allocated to gas conservation.

OPINION:

1. Half the cost of the airline tickets should be removed from the conservation costs.

Amount to remove: Airfare for \$1,872.

2. Advertising related to propane should not be included in conservation. Since there were other items on the bill, the miscellaneous charges should be allocated to other divisions also. The company usually allocates these based on number of customers, or 36% to gas conservation.

Advertising Related to Propane	\$110.00
Plus: 64% allocated to other divisions	<u>463.21</u>
<u>Amount to remove:</u>	<u>\$573.21</u>

3. Remove the cost of the graphic on the tank in the amount of \$974.43.
4. Remove the cost of the Daytona 500 tickets in the amount of \$126.00.

COMPANY: FPUC - GAS CONSERVATION
 TITLE: ADVERTISING AND PROMOTIONS
 PERIOD: YEAR END DECEMBER 31, 2003
 DATE: MAY 25, 2004
 AUDITOR: RKY

Other Charges to Conservation that should be removed							Amount to
Invoice No.	Date	Payee	Description	Account	Amount		reduce for non
							conservation
	04/27/03	SunTrust Bankcard	12 Airline tickets to Hilton Head	121.910	2,246.40		
			Island to attend the Southern	123.910	1,497.60		
			Gas Association Conference.				
Six of these tickets were for spouses and should not be charged to conservation						3,744.00	1,872.00
Reduce the amount by half							=====
	11/27/03	Sign A Rama	Graphic on Tank	121.909	974.73		974.73
	Pd. March 03						=====
According to Bob Smith, this should not be charged to conservation.							
4219	01/03/03	EW Bullock	Costs for Builder Ad, Energize	121.909	1,058.15		
			Your Business Ad and Misc				
			Charges for Service, Postage				110.00
			and Art Products				
Included in The 1,058.15 are two charges in the amount of \$220 that also relate to propane. This should be split 50 natural gas and 50 propane. Also included in this bill are miscellaneous charges in the amount of 718.15. The bill also includes other services such as web site, etc which do not relate to conservation.							463.21
However, the miscellaneous charges were all charged to conservation. These charges should be allocated to all divisions. 36% to WPB conservation is 254.94; a difference of 463.21.							=====
	03/03/03	Mike Peacock	Tickets for Daytona 500	121.909	299.94		126.00
							=====

AUDIT DISCLOSURE 1

SUBJECT: JANUARY AND FEBRUARY BILLING FOR NEW SMYRNA

STATEMENT OF FACT: The residential rate used by the company for New Smyrna Beach in January and part of February was .09068 instead of .09003 as required in the Commission Order. Small commercial customers were billed .03473 instead of .03442 as required in Commission Order PSC-02-1737-FOF-EG.

OPINION: The company did not bill the correct conservation rates for New Smyrna Beach in January and part of February for residential and small commercial. The customers were over-billed by approximately \$339.37. The schedules were not adjusted because the true-up schedules show the actual amount billed to the customers. However, because only a particular section of customers were over-billed, all customers will be given the benefit of the over-billing in the next true-up and not just the customers affected. A decision needs to be made to determine if the amount is material enough to refund.

AUDIT DISCLOSURE 2

SUBJECT: COMPUTER LEASES

STATEMENT OF FACT: The company charges the lease for eight computers to conservation. The total lease amount is \$1,113.47 per month. The following employees used the computers in 2003 according to the Director of Marketing:

<u>Employee</u>	<u>Percent of Time On Conservation In January.</u>
Doug Kiep	17.5%
Kim Leisure	18.75%
Mike Peacock	20.53%
Bob Long	0%
Jim McKenna	15.01%
Lynn Reck	0%
Barbara Ziegler	18.70%
Mike Papadeas	13.41%

In the audit report for the year ended 2002, it was disclosed that the employees provided with computers were not charged 100% to conservation, and that the computers should be allocated based on salary allocations. The company responded that the laptops were used by conservation employees to document energy surveys, to perform load calculation, to document findings and recommendations. "The company recognized that occasionally, some representatives may utilize the laptops for other position responsibilities. The company considers that the allocation should be based on utilization and not on a payroll allocation; therefore we feel it is reasonable to have a flat default allocation of 15% for non-conservation activities and 85% for conservation activities."

OPINION: Since the employees do not spend all their time on conservation, and the company does agree, the least that should be removed from conservation expense is 15% for the year.

Monthly Times 12	
1,113.57 X 12 =	\$13,362.84
	<u>15%</u>
<u>Amount to Remove from Conservation</u>	<u>2,004.42</u>

AUDIT DISCLOSURE 3

SUBJECT: ADVERTISING CONTENT AND ALLOCATIONS

STATEMENT OF FACTS:

1) Included in the company's print campaign is an ad that promotes "money-saving programs such as appliance rebates and conservation incentives." It also states that "at the Florida Public Utilities showroom you'll find the latest gas appliances and accessories – and our service is second to none." A copy of this ad follows this disclosure. Each time this ad is run it is charged to conservation. Time limits precluded us from going through every ad to determine the exact amount for the year. Instead we asked the company to compile the number of times this ad was run and the cost.

<u>Insertions</u>	<u>Media</u>	<u>Amount</u>
19	Various papers in Volusia and Seminole Counties	\$12,392.22
12	Various papers in Palm Beach County	<u>\$12,240.96</u>
		<u>\$24,633.18</u>

2) An invoice in the amount of \$6,586.72 for advertising was charged in December 2002. One ad in the amount of \$135.30 was in the West Palm Beach Chamber of Commerce publication. This ad promotes conservation, however also has the propane logo in it. A second ad in the amount of \$2,304.06 in the Sun Sentinel appears to be a generic ad for the company. The third ad for \$1,152.03 was for gas safety. There were also charges on the invoice for general professional fees in the amount of \$1,560.

3) Included as part of an eight page brochure for CenterLine Homes in Wellington, Florida is the "Good Cents logo and the name Florida Public Utilities with its web site" on the bottom of the last page. The total charged to conservation is \$12,500. A copy of the brochure follows this disclosure.

OPINION:

1) As this ad also promotes the company's appliance business which is not regulated, a portion of the cost should be allocated to the Merchandising and Jobbing business. It appears that at least 1/4 of this cost should be allocated to M&J since there are four paragraphs and one of the paragraphs talks about the showroom and gas appliances.

2) Conservation ads that also promote propane, and generic ads should be allocated in part to non conservation accounts. The safety ads should not be included in conservation.

3) Although this ad is in conjunction with a home builder, it does not answer any of the criteria included in Audit Exception 1.

4

CUSTOMER RETENTION
CAMPAIGN CREATIVITY

CENTRAL FLORIDA

Print Ad
3 x 5"



Energy for Life.



Your home is the biggest investment you'll ever make. So if you're ready to build or buy a new home, make sure it's a Florida Public Utilities certified GoodCents gas home. GoodCents gas homes are well-built, comfortable and include many valuable energy-saving features.

Florida Public Utilities also offers a number of money-saving programs such as appliance rebates and conservation incentives to help keep your life simple.

At the Florida Public Utilities showroom you'll find the latest gas appliances and accessories—and our service is second to none. We're there for you...24 hours a day, 7 days a week. It's easy to use gas...start enjoying the comfort, convenience and value today.

Call Florida Public Utilities today and ask how you can save money and enjoy all the benefits of a GoodCents gas home. In DeBary please call 386-668-2600 .
Outside of DeBary please call 1-866-937-4427 .



www.fpuc.com



Value Code: CFLRC

Energy for Life.

Attach to Audit
Disclosure 3

EXPIRES
AUGUST 31, 2005



West Palm Beach
Chamber Ad

Coming to West Palm Beach? *Smart move.*



Whether you're relocating your business or moving your family to West Palm Beach, Florida Public Utilities encourages you to conserve energy with efficient, earth-friendly gas. Choose gas and you can take advantage of our GoodCents rebates and allowances.

Contact your local Florida Public Utilities office today at (561) 832-0872 and start conserving energy and saving money...now that's a smart move.

Natural Gas ▲ Propane



www.fpuc.com



Energy for  Life

Your full service energy company.

- ▲ Gas Appliance Sales & Repair
- ▲ New Construction Programs
- ▲ 77 Years in Business
- ▲ Automatic Gas Delivery
- ▲ Trained Service Technicians
- ▲ 24-Hour Emergency Service
- ▲ Energy Saver Programs
- ▲ Easy Payment Plans
- ▲ Switch to Gas & Save
- ▲ Free Estimates



1-800-427-7712
Propane ▲ Natural Gas



FLORIDA PUBLIC
UTILITIES

www.fpuc.com ▲ 401 South Dixie, West Palm Beach

Energy for Life



CenterLine Homes

EQUESTRIAN CLUB
AT WELLINGTON

Front



ESTATE HOME FEATURES

Back

EXTERIOR

- Mediterranean-style S-tile roof
- 15' x 30' swimming pool with aluminum fence
- Covered patio with pre-wired ceiling fan outlet
- Estate-style brick paver driveway, walkway, front entryway and pool deck (per plan)
- Dramatic lighted, covered portico entry with eight-foot double doors
- Exterior French doors provide access to covered patio (per plan)
- Cabana bath door opens to patio (per plan)
- Clerestory windows (per plan)
- Poured concrete-and-steel foundations and second floors on all two-story models
- Termite-treated foundation
- Zoned automatic sprinkler system on timer
- Upgraded landscaping and fully sodded homesite
- Three- or four-car garage with decorative raised-panel, eight-foot garage doors
- Automatic garage door opener with remotes
- Side-entry garage door
- Protective hurricane shutters with trackless panels
- White window frames with tinted glass and screening on all operable windows
- Vented stucco soffits for attic ventilation
- Weatherproof GFI electric outlets (per plan)
- Hose bibs conveniently located
- Textured exterior stucco
- Decorative polished brass front door hardware
- Decorative personal mailboxes
- Decorative coach lights
- Doorbell
- Ten-year structural warranty

INTERIOR

- 16" x 16" ceramic tile floors in all living areas (per plan)
- Wall-to-wall carpeting in all bedrooms, hallways, loft, stairs and den
- Upgraded carpet padding
- Monitor-ready security system with front entry and garage entry alarm keypads
- Knockdown textured walls and ceilings
- Coffered ceilings (per plan)
- KitchenAid® full-size 7-cycle washer and 4-cycle extra-large capacity dryer
- Upper cabinet in laundry room and laundry tub mounted in lower cabinet
- Pre-wired for ceiling fans in family room, patio, den and all bedrooms (per plan)
- Cable TV pre-wired in family room, den, loft and all bedrooms (per plan)
- State-of-the-art high-speed wiring network for phone, computer and video including:
 - Certified CAT5 data lines and RG6 quad shield coaxial cable
- Phone outlets pre-wired in kitchen, den, loft and all bedrooms

- Pre-wired for hanging fixture in dining room and breakfast nook
- High-efficiency zoned central air-conditioning and heating system
- Custom lighting detail throughout
- Eight-foot mirrored closet doors in master suite
- Spacious linen closets
- Eight-foot bi-fold closet doors with wood casing
- Solid eight-foot interior doors with designer lever hardware
- Volume ceilings throughout
- 5-1/4" Colonial-style wood baseboards
- Space-saving closet organizer in master closet
- Rocker-style electrical switches
- Travertine marble window sills
- Energy-efficient R-30 ceiling insulation
- Quick-recovery natural gas 80-gallon water heater (per plan)
- Smoke detectors throughout home (per plan)
- Copper plumbing supply lines

KITCHEN

- Upgraded KitchenAid® appliance package:
 - Built-in 36" side-by-side refrigerator with ice and water dispenser in door
 - Built-in double oven and microwave
 - Built-in natural gas cooktop
 - Multi-cycle quiet operation dishwasher
- European-style cabinetry with 42" upper cabinets
- Maple or oak flat-panel, or foil raised-panel cabinetry in choice of colors
- Granite kitchen countertops with standard height backsplash
- Kohler® Lakefield™ 1/3 - 2/3 white porcelain sink with disposal and soap dispenser
- Moen® One-Touch™ pull-out faucet with sprayer
- Built-in cabinet-style pantry (per plan)
- Built-in breakfast bar (per plan)
- Recessed lighting details

BATHROOMS

- Maple or oak flat-panel, or foil raised-panel cabinetry in master bath in choice of colors
- European-style cabinetry in secondary baths
- Jacuzzi Roman tub with Whirlpool® jets in master bath
- Glass block window in master bath (per plan)
- Clear glass enclosed showers
- Moen® Monticello™ 8" chrome and polished brass faucets in master bath and powder bath
- Oversized ceramic tile in wet areas
- Elongated water closets
- Bullnose cultured marble countertops with integrated sinks in all baths
- Dual shower heads in master bath
- Oversized bathroom mirrors and designer medicine cabinets
- Designer bath accessories
- Designer lighting details
- Pedestal sink in powder bath (per plan)
- Moen® single-lever faucets in secondary baths



EQUESTRIAN CLUB
AT WELLINGTON

12357 Equine Lane, Wellington, FL 33414

Phone: 561-793-6690

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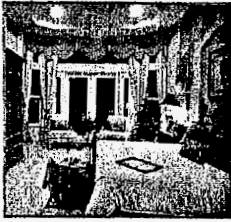
Renderings, floorplans and site plan are artist's concept. All dimensions, features and square footage are approximate and subject to change without notice.

8/03

Member Participation Welcome



www.centerlinehomes.com



CENTERLINE HOMES

"Designed for Living, Built for

Center

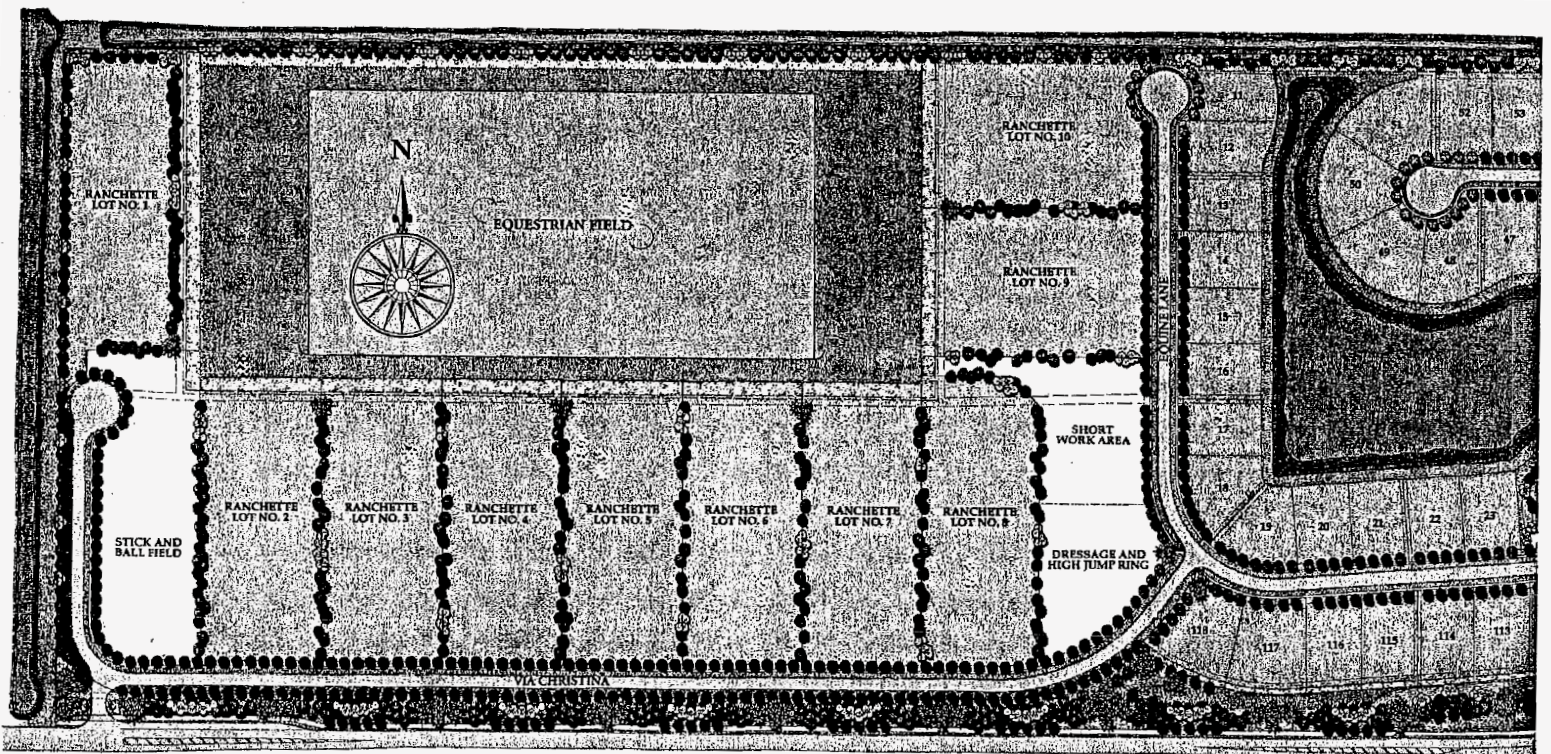
As a premier South Florida developer and builder, Centerline Homes is proud of our reputation for unique designs, expert craftsmanship and meticulous attention to detail. Our guiding philosophy is to develop and build innovative homes in prime locations that truly exceed the needs of the most discriminating and demanding buyers.

Centerline Homes was founded on the vision of anticipating the leading trends of South Florida real estate and then being one of the first to fulfill them. We have won coveted awards, including the Builders' Association of South Florida's prestigious "Best" award and the Gold Coast Builder's Association "Prism" award.

Now taking upscale living community, designed to ca within the exclusive Village . Homes is delivering on ou unsurpassed features for eve:

Experienced, innovative and our reputation as one of the your home dreams become a

~ SITE PLAN ~



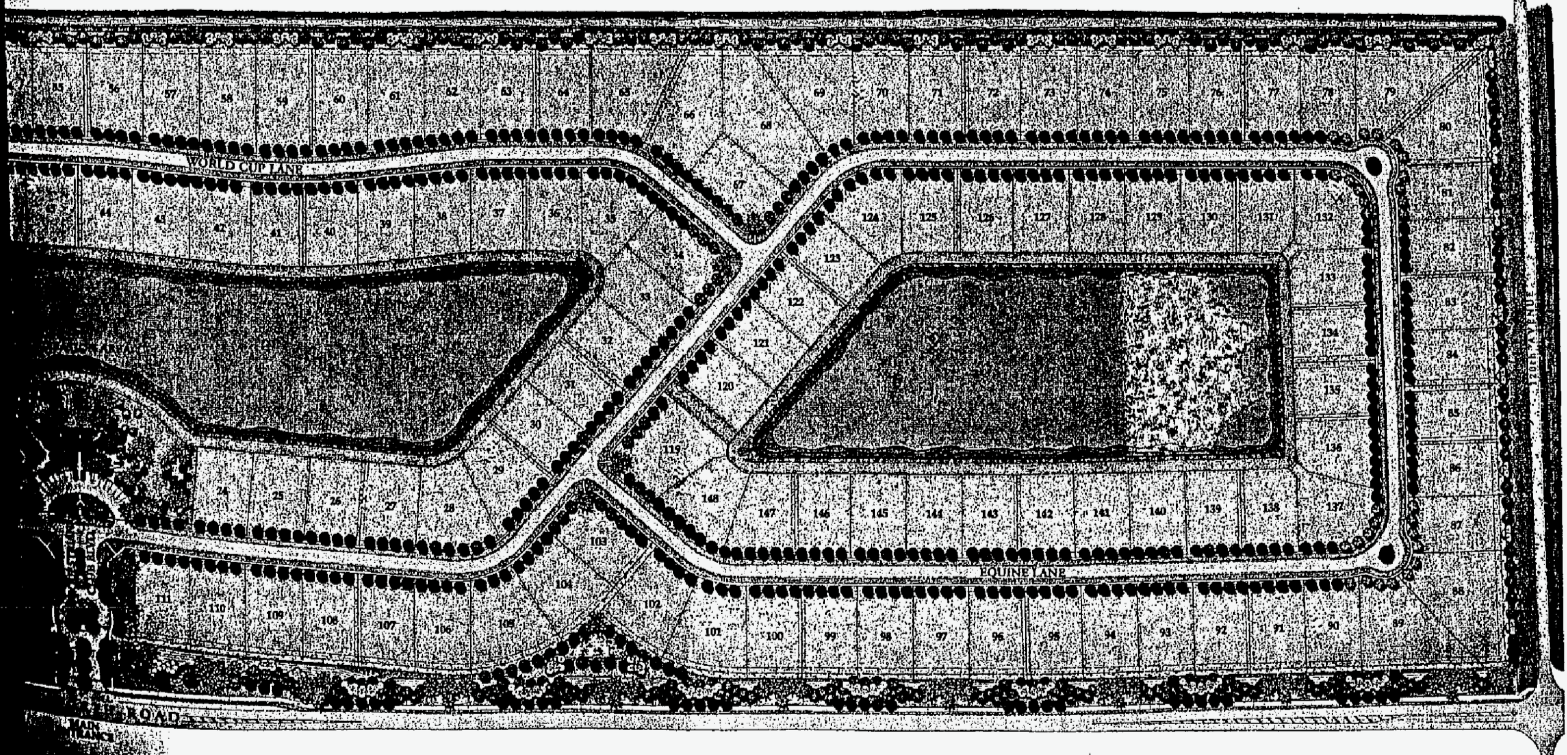
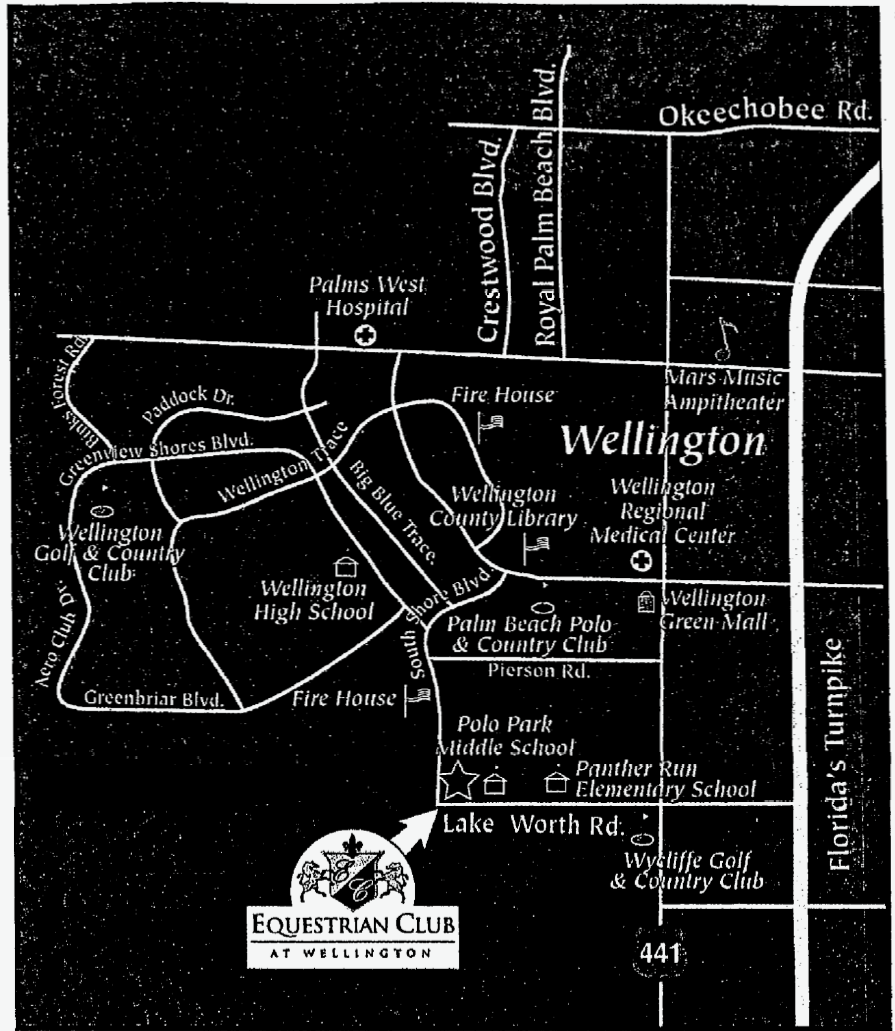
Life"



Center

to new heights, we have introduced our newest
 to capture the tranquility of Florida's natural beauty
 in Wellington. At The Equestrian Club, Centerline
 promises of providing more living space and
 to meet homebuyer's needs.

customer focused, Centerline Homes is expanding
 with the best homebuilders in South Florida. Let us make
 your reality for a lifetime of memories.



Dimensions are approximate and subject to change.

• Large front, back and side yards with minimum 1/3-acre homesites
 • Convenient to shopping, outstanding parks, cultural and recreational activities • Easy access to major highways

ESTATE HOME FEATURES

EXTERIOR

- Mediterranean-style S-tile roof
- 15' x 30' swimming pool with aluminum fence
- Covered patio with pre-wired ceiling fan outlet
- Estate-style brick paver driveway, walkway, front entryway and pool deck (per plan)
- Dramatic lighted, covered portico entry with eight-foot double doors
- Exterior French doors provide access to covered patio (per plan)
- Cabana bath door opens to patio (per plan)
- Clerestory windows (per plan)
- Poured concrete-and-steel foundations and second floors on all two-story models
- Termite-treated foundation
- Zoned automatic sprinkler system on timer
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- Three- or four-car garage with decorative raised-panel, eight-foot garage doors
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EQUESTRIAN CLUB

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37

12357 Equine Lane, Wellington, FL 33414

Phone: 561-793-6690



www.fpuc.com



CENTERLINE
HOMES

www.centerlinehomes.com

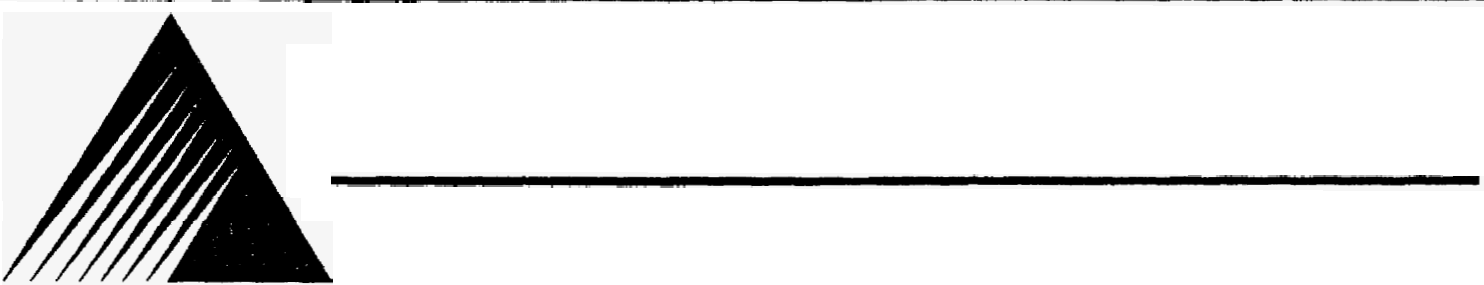
AUDIT DISCLOSURE 4

SUBJECT: SPONSORSHIP OF VOLUSIA COUNTY FAIR


STATEMENT OF FACTS: The company paid \$10,000 to sponsor the Volusia County Fair and Youth Show. This included a banner at the fair which gives the name of the Company, the telephone number, the Good Cents logo, and "Saving Energy Makes Good Cents". The sponsorship also included radio spots. We cannot determine the individual cost of the banner or radio spots. The banner and radio spot follow this disclosure.

OPINION: The number of radio spots and the cost needs to be determined in order to determine if \$10,000 is a reasonable amount.

CF Fair Banner



1-866-YES-4-GAS

Saving Energy Makes GoodCents  www.fpuc.com

radio script

client: Florida Public Utilities

date: 2003

title: Central Florida Retention/Rebates/Fair

length: :30

AUDIO

SFX

Voice Over:

The Volusia County Fair is coming to Central Florida November 6 through 16 and Florida Public Utilities wants to invite you to come by our certified GoodCents gas home booth.

Music Bed Under VO

GoodCents Gas homes are well-built and comfortable and include many valuable energy-saving features such as efficient gas appliances and better insulation.... you'll save on your utilities month after month.

Call 1-866-Yes-4-Gas today and start saving with a Florida Public Utilities GoodCents Gas Home. And we'll see you at the Fair November 6 through 16.

Florida Public Utilities...Energy for Life.

SFX: flame ignition "woosh"

EXHIBITS

COMPANY PREPARED SCHEDULES

✱

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSERVATION ADJUSTMENT TRUE-UP (revised 5/3/2004)

SCHEDULE CT-1
 PAGE 1 OF 1

FOR MONTHS January-03 THROUGH December-03

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-03 THROUGH December-03		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>30,720</u>	
5.	INTEREST	<u>(1,254)</u>	<u>29,466</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-03 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(154,941)</u>	
9.	INTEREST	<u>(1,757)</u>	<u>(156,698)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>186,164</u>

EXHIBIT NO. _____
 DOCKET NO. 040004-GU
 FLORIDA PUBLIC UTILITIES COMPANY
 (RLS-1)
 PAGE 1 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 1 OF 3

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED (revised 5/3/2004)

	FOR MONTHS	January-03	THROUGH	December-03	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	195,622		233,146	(37,524)
2.	Advertisement	739,945		485,316	254,629
3.	Legal				
4.	Outside Services	69,886		89,104	(19,418)
5.	Vehicle	6,274		20,591	(14,317)
6.	Materials & Supplies	57,807		64,364	(6,557)
7.	Travel	9,116		8,302	814
8.	General & Administrative	15,606		11,116	4,490
9.	Incentives	942,649		1,055,646	(112,997)
10.	Other	1,359		22,935	(21,576)
	SUB-TOTAL	2,038,064		1,990,520	47,544
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	2,038,064		1,990,520	47,544
14.	LESS: PRIOR PERIOD TRUE-UP	(107,559)		(107,559)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	2,114,903		2,253,020	(138,117)
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	30,720		(154,941)	185,661
19.	ADD INTEREST PROVISION	(1,254)		(1,757)	503
20.	END OF PERIOD TRUE-UP	29,466		(156,698)	186,164

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
DOCKET NO. 040004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(RLS-1)
PAGE 2 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res. New Construction	29,910	96,148		31,534		20,968	5,733	2,232	573,977	470	760,972		760,972
2. Residential Appliance Replacement	10,072	1,930							50,342		62,344		62,344
3. Conservation Education		121,239				5,846					127,085		127,085
4. Space Conditioning	5,154	1,309		24,840		1,139			4,500		36,942		36,942
5. Residential Conservation Service	6,400	50		5,795		5,634					17,879		17,879
6. Residential Appliance Retention	15,524	48,692							313,815		378,031		378,031
10. Commercial Conservation Service	21,176	616		1,340		4,834			15	15	27,996		27,996
12. Commercial Equipment Repair											900		900
13. Residential Service Reactivation		900									900		900
14. Common	107,385	469,051		6,177	6,274	19,386	3,383	13,374		874	625,915		625,915
TOTAL ALL PROGRAMS	195,622	739,945		69,686	6,274	57,807	9,116	15,606	942,649	1,359	2,038,064		2,038,064

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EXHIBIT NO. _____
DOCKET NO. 040004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(RLS-1)
PAGE 3 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM-VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res. New Construction	(10,272)	1,944		(3,959)		(2,926)	(398)	24	(61,063)	(2,330)	(78,990)		(78,990)
2. Residential Appliance Replacement	(10,645)	(4,600)		(600)		(2,570)			(4,624)	(1,670)	(24,709)		(24,709)
3. Conservation Education	(3,330)	96,944		(1,470)		(1,144)				(1,670)	89,330		89,330
4. Space Conditioning	(2,089)	(516)		1,260		(801)			(9,500)	(1,000)	(12,646)		(12,646)
5. Residential Conservation Service	217	(3,770)		(320)		3,634			(400)	(1,670)	(2,309)		(2,309)
6. Residential Appliance Retention	(8,407)	37,282		(1,200)		(2,870)			(30,740)	(2,000)	(7,935)		(7,935)
10. Commercial Conservation Service	4,687	(3,500)		(4,830)		2,263				(1,330)	(2,710)		(2,710)
12. Commercial Equipment Repair													
13. Residential Service Reactivation	(3,190)	(2,070)				(870)			(6,670)		(12,800)		(12,800)
14. Common	(4,495)	132,915		(8,289)	(14,317)	(1,273)	1,212	4,466		(9,906)	100,313		100,313
TOTAL ALL PROGRAMS	(37,524)	254,629		(19,418)	(14,317)	(6,557)	814	4,490	(112,997)	(21,576)	47,544		47,544

EXHIBIT NO. _____
DOCKET NO. 040004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(RLS-1)
PAGE 4 OF 18

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH (revised 5/3/2004)

FOR MONTHS		January-03	THROUGH	December-03										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Res. New Construction	73,741	55,051	74,384	110,469	58,576	52,237	49,607	46,246	69,498	44,669	34,182	92,312	760,972
2.	Residential Appliance Replacement	5,529	7,718	5,557	3,831	6,414	7,237	3,270	4,056	3,650	4,069	4,064	6,949	62,344
3.	Conservation Education	206	1,106	206	207	9,171	2,319	1,829	7,711	8,431	42,960	693	52,246	127,085
4.	Space Conditioning	1,188	3,428	3,249	4,511	4,559	3,422	3,431	3,461	3,746	7,985	(5,580)	3,542	36,942
5.	Residential Conservation Service	610	1,743	773	571	522	670	396	402	527	7,096	3,973	596	17,879
6.	Residential Appliance Retention	37,636	31,177	31,841	26,858	22,617	25,867	19,882	28,629	27,932	40,649	25,190	59,753	378,031
10.	Commercial Conservation Service	2,685	1,439	1,494	1,728	3,439	2,200	1,656	2,389	1,838	1,961	5,156	2,011	27,996
12	Commercial Equipment Repair													900
13.	Residential Service Reactivation		900											900
14.	Common	52,310	16,928	76,291	50,528	46,799	36,139	31,294	33,487	17,843	21,660	94,800	147,836	625,915
610			238	(215)				1,465	(1,465)	(23)				
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES													
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
3. TOTAL REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(8,966)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(107,559)
5. CONSERVATION REVENUE APPLICABLE	288,065	250,244	186,565	171,638	147,323	123,664	114,990	112,164	117,598	118,391	153,173	223,528	2,007,344
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	173,905	119,728	193,580	198,703	152,097	130,091	112,830	124,916	133,442	171,049	162,478	365,245	2,038,064
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	114,160	130,516	(7,015)	(27,065)	(4,774)	(6,427)	2,160	(12,752)	(15,844)	(52,658)	(9,305)	(141,717)	(30,720)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(49)	90	158	146	141	133	130	137	133	111	91	33	1,254
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(107,559)	15,518	155,087	157,193	139,238	143,567	146,237	157,489	153,837	147,090	103,506	103,255	(107,559)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	8,966	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	107,559
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	15,518	155,087	157,193	139,238	143,567	146,237	157,489	153,837	147,090	103,506	103,255	(29,466)	(29,466)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION (revised 5/3/2004)

FOR MONTHS January-03 THROUGH December-03

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(107,559)	15,518	155,087	157,193	139,238	143,567	146,237	157,489	153,837	147,090	103,505	103,255	(107,559)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	15,567	154,997	157,035	139,092	143,426	146,104	157,359	153,700	146,957	103,395	103,164	(29,499)	(30,720)
3. TOTAL BEG. AND ENDING TRUE-UP	(91,992)	170,515	312,122	296,285	282,664	289,671	303,596	311,190	300,794	250,484	206,670	73,756	(138,279)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(45,996)	85,258	156,061	148,142	141,332	144,835	151,798	155,595	150,397	125,242	103,335	36,878	(69,139)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.05%	1.05%	1.06%	1.06%	1.06%
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
7. TOTAL (LINE C-5 + C-6)	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	2.12%
8. AVG. INTEREST RATE (C-7 X 50%)	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
9. MONTHLY AVERAGE INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.088%	0.088%	0.088%
10. INTEREST PROVISION (LINE C-4 X C-9)	(49)	90	158	146	141	133	130	137	133	111	91	33	1,254

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