

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 040004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
GEOFFREY L. HARTMAN
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

- 1 Q. Please state your name and business address.
- 2 A. Geoffrey L. Hartman: my business address is
- 3 P.O. Box 3395, West Palm Beach, Florida 33402-
- 4 3395.
- 5 Q. By whom are you employed and in what capacity?
- 6 A. I am employed by Florida Public Utilities
- 7 Company as Manager, Customer Development.
- 8 Q. What is the purpose of your testimony at this
- 9 time?
- 10 A. To advise the Commission as to the Conservation
- 11 Cost Recovery Clause Calculation for the period
- 12 January 2005 through December 2005 and to
- 13 clarify the use of "Good Cents" branding to
- 14 support Florida Public Utilities conservation
- 15 programs.
- 16 Q. What are the total projected costs for the
- 17 period January 2005 through December 2005 in the
- 18 Consolidated Natural Gas Division?

1 A. The total projected Conservation Program Costs
2 are \$2,355,000. Please see Schedule C-2, page
3 2, for the programmatic and functional breakdown
4 of these total costs.

5 Q. What is the true-up for the period January, 2004
6 through December, 2004?

7 A. As reflected in the respective "C" schedules,
8 the True-up amount for the Consolidated Natural
9 Gas Division is (\$212,911).

10 Q. What are the resulting net total projected
11 conservation costs to be recovered during this
12 period?

13 A. The total costs to be recovered are \$2,142,089.

14 Q. What is the Conservation Adjustment Factor
15 necessary to recover these projected net total
16 costs?

17 A. The Conservation Adjustment Factors per therm
18 for the Consolidated Natural Gas Division are:

19
20 Residential \$.08838
21 General Service & GS Transportation \$.03323
22 Large Volume Service & LV Transportation <50,000 \$.02228
23 Large Volume Transportation Service >50,000 \$.02228

24

25 Q. Are there any exhibits that you wish to sponsor
26 in this proceeding?

27 A. Yes. I wish to sponsor as Exhibits Schedules

1 C1, C-2, C-3, and C-5 (Composite Prehearing
2 Identification Number GLH-1), which have been
3 filed with this testimony.
4

5 Q. How does Florida Public Utilities plan to
6 promote the Commission approved conservation
7 programs to customers?

8 A. These programs will be promoted through the
9 implementation of the company's "Good Cents"
10 branding.

11 Q. What is the "Good Cents" branding?

12 A. "Good Cents" is a nationally recognized,
13 licensed energy conservation branding program.
14 This program is fuel neutral by design and has
15 been successfully utilized by approximately 300
16 electric and natural gas utilities located
17 across 38 states from Maine, to Florida to
18 California and Washington. In the winter of
19 2000, Florida Public Utilities expanded its 20
20 year old branding license arrangement to include
21 the Commission approved natural gas conservation
22 programs.

23 Q. How does Florida Public Utilities utilize this
24 branding?

25 A. The Company uses the "Good Cents" branding to
26 create an awareness of its energy conservation

1 and fuel neutral programs among consumers,
2 businesses, builders and developers. Florida
3 Public Utilities will leverage the high
4 visibility brand, well established national
5 image of quality, value and savings, established
6 public awareness (nearly 30% national average)
7 and proven promotional lift (average 11%) to
8 build participation in our residential and
9 commercial energy conservation programs. We
10 will apply the branding strategy to promotional
11 activities via broadcast and print media,
12 educational events and collateral materials.
13 Through this branding, end users and specifiers
14 can readily identify where to obtain energy
15 expertise to assist them with their energy
16 decisions.

17 Q. Does Florida Public Utilities Company expect to
18 make any modifications to the manner in which it
19 promotes the approved energy conservation
20 programs during the period January 1, 2005
21 through December 31, 2005?

22 A. Yes. In addition to continued participation in
23 the statewide GetGasFL.com advertising campaign,
24 Florida Public Utilities Company plans to
25 strengthen the GoodCents branding and
26 conservation message by including the

1 conservation brand as a key component to our
2 program name and consumer education message.
3 The program titles will be updated as follows.

- 4 1. **GoodCents Home Program** (Residential New Construction)
- 5 2. **GoodCents Appliance Improvement Program** (Replacement,
6 Electric to Gas conversion)
- 7 3. **GoodCents Conservation Education Program** (Education and
8 Seminars)
- 9 4. **GoodCents Space Conditioning Program** (Space Conditioning
10 Systems)
- 11 5. **GoodCents Energy Survey** (Residential Conservation Service,
12 Energy Survey)
- 13 6. **GoodCents Appliance Upgrade** (RETENTION, Gas to Gas
14 Program)
- 15 7. **GoodCents Builder and Contractor Program**
16 (Dealer/Contractor)
- 17 8. **GoodCents Commercial Energy Survey** (Commercial
18 Conservation)
- 19 9. **GoodCents Natural Gas Service Reactivation** (Residential
20 Service REACTIVATION Program)

21 The GetGasFL.com advertising campaign promotes the
22 energy conservation benefits of gas through the
23 use of multiple media outlets. The campaign
24 directs consumers to common web site. The web

1 site contains additional benefits on the
2 utilization of gas, the availability of gas by
3 region, and contact information, as well as
4 specifics about the energy conservation programs
5 offered.

6 The strengthened GoodCents branding will also
7 direct consumers to improved web site
8 information services and will be supported in
9 the field by expanded manpower resources and
10 conservation services.

11 Q. Does the campaign meet the guidelines for
12 recovery under Rule 25-17.015, Energy
13 Conservation Cost Recovery?

14 A. Yes, the campaign meets the guidelines
15 established by Rule 25-17.015, Energy
16 Conservation Cost Recovery.

17 Q. Has Florida Public Utilities Company included
18 the estimated cost of the campaign in the
19 projected costs associated with the conservation
20 programs?

21 A. Yes, the estimated cost of the campaign and
22 services are included in the budget projections
23 for 2005.

24 Q. Does this conclude your testimony?

25 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2005 THROUGH DECEMBER 2005

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,355,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(212,911)
3. TOTAL (LINE 1 AND LINE 2)	2,142,089

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	534,000	11,824,460	4,272,000	6,224,869	10,496,869	904,660	8.61838%	0.07651	1.00503	0.07689
COMMERCIAL SMALL (General Service & GS Transportation)	42,156	13,541,970	632,340	4,948,642	5,580,982	480,991	8.61838%	0.03552	1.00503	0.03570
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	13,644	29,534,570	613,980	8,163,060	8,777,040	756,438	8.61838%	0.02561	1.00503	0.02574
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	8.61838%	0.02561	1.00503	0.02574
TOTAL	589,800	54,901,000	5,518,320	19,336,571	24,854,891	2,142,089				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	JAN 2005	FEB 2005	MAR 2005	APR 2005	MAY 2005	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	NOV 2005	DEC 2005	TOTAL
1 Full House Res. New Construction	66,000	65,000	65,000	65,000	64,000	63,000	63,000	63,000	64,000	65,000	66,000	66,429	775,429
2 Resid. Appliance Replacement	7,000	7,000	6,500	6,500	6,000	6,000	6,000	6,000	6,000	6,500	7,000	7,430	77,930
3 Conservation Education	14,000	14,000	14,000	14,000	14,000	13,000	13,000	14,000	14,000	14,000	14,000	14,829	166,829
4 Space Conditioning	4,114	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,600	3,600	3,800	43,114
5 Residential Conservation Service	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,393	28,694
6 Residential Appliance Retention	45,000	44,000	44,000	44,000	44,000	43,000	42,000	41,000	42,000	43,000	44,000	44,797	520,797
7 Dealer / Contractor	0	0	0	0	0	73	0	0	0	0	0	0	73
10 Commercial Conservation	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,369	4,369	52,378
12 Commercial Equipment Repair	288	288	288	288	288	288	288	288	288	288	288	296	3,464
13 Res. Service Reactivation	95	95	95	95	95	95	95	90	95	95	95	95	1,135
14 Common	60,000	58,000	57,000	57,000	57,000	56,000	56,000	56,000	56,000	57,000	57,000	58,157	685,157
TOTAL ALL PROGRAMS	203,252	198,638	197,138	197,138	195,638	191,711	190,638	190,633	192,638	196,238	198,743	202,595	2,355,000

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2005 THROUGH DECEMBER 2005

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction	0	25,739	30,000	44,542	651,938	16,053	7,000	157	775,429
2 Resid. Appliance Replacement	0	9,941	0	25,779	42,210	0	0	0	77,930
3 Conservation Education	0	9	3,670	163,150	0	0	0	0	166,829
4 Space Conditioning	0	5,286	0	858	10,650	26,320	0	0	43,114
5 Residential Conservation Service	0	7,646	10,000	3,958	540	6,550	0	0	28,694
6 Residential Appliance Retention	0	25,651	0	98,725	396,421	0	0	0	520,797
7 Dealer / Contractor	0	9	0	64	0	0	0	0	73
10 Commercial Conservation	0	31,569	7,775	11,344	1,675	0	0	15	52,378
12 Commercial Equipment Repair	0	0	3,464	0	0	0	0	0	3,464
13 Res. Service Reactivation	0	0	0	1,135	0	0	0	0	1,135
14 Common	0	155,162	30,000	450,445	0	24,667	24,082	801	685,157
PROGRAM COSTS	0	261,012	84,909	800,000	1,103,434	73,590	31,082	973	2,355,000

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction									
A. ACTUAL	0	9,092	3,567	26,685	511,978	10,148	0	157	561,627
B. ESTIMATED	0	20,000	9,130	20,000	235,010	8,730	0	2,330	295,200
C. TOTAL	0	29,092	12,697	46,685	746,988	18,878	0	2,487	856,827
2 Resid. Appliance Replacement									
A. ACTUAL	0	7,858	0	7,179	30,624	0	0	0	45,661
B. ESTIMATED	0	14,000	2,570	4,600	20,000	600	0	1,670	43,440
C. TOTAL	0	21,858	2,570	11,779	50,624	600	0	1,670	89,101
3 Conservation Education									
A. ACTUAL	0	9	621	76,482	0	0	0	0	77,112
B. ESTIMATED	0	3,330	5,330	3,200	0	1,470	0	1,670	15,000
C. TOTAL	0	3,339	5,951	79,682	0	1,470	0	1,670	92,112
4 Space Conditioning									
A. ACTUAL	0	3,419	0	574	6,150	7,320	0	0	17,463
B. ESTIMATED	0	4,000	800	800	3,330	1,170	0	1,000	11,100
C. TOTAL	0	7,419	800	1,374	9,480	8,490	0	1,000	28,563
5 Residential Conservation Service									
A. ACTUAL	0	6,409	0	3,959	540	2,210	0	0	13,118
B. ESTIMATED	0	2,000	2,000	3,770	400	1,660	0	1,670	11,500
C. TOTAL	0	8,409	2,000	7,729	940	3,870	0	1,670	24,618
6 Residential Appliance Retention									
A. ACTUAL	0	11,585	0	38,838	215,000	0	0	0	265,423
B. ESTIMATED	0	14,000	2,870	4,730	123,330	1,200	0	2,000	148,130
C. TOTAL	0	25,585	2,870	43,568	338,330	1,200	0	2,000	413,553
SUB-TOTAL	0	95,702	26,888	190,817	1,146,362	34,508	0	10,497	1,504,774

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	95,702	26,888	190,817	1,146,362	34,508	0	10,497	1,504,774
10 Commercial Conservation									
A. ACTUAL	0	17,481	1,432	728	0	0	0	0	19,641
B. ESTIMATED	0	2,800	1,200	3,500	0	1,830	0	1,330	10,660
C. TOTAL	0	20,281	2,632	4,228	0	1,830	0	1,330	30,301
13 Res. Service Reactivation									
A. ACTUAL	0	0	0	1,135	0	0	0	0	1,135
B. ESTIMATED	0	3,190	870	2,070	1,670	0	0	0	7,800
C. TOTAL	0	3,190	870	3,205	1,670	0	0	0	8,935
14 Common									
A. ACTUAL	0	97,225	10,790	214,299	0	4,341	2,277	141	329,073
B. ESTIMATED	0	42,290	6,670	91,640	0	14,600	18,070	10,000	183,270
C. TOTAL	0	139,515	17,460	305,939	0	18,941	20,347	10,141	512,343
TOTAL	0	258,688	47,850	504,189	1,148,032	55,279	20,347	21,968	2,056,353

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
Full House Res. New Construction	34,498	30,030	98,256	73,195	40,908	63,324	94,441	126,975	73,800	73,800	73,800	73,800	856,827
Resid. Appliance Replacement	6,866	3,200	5,927	7,952	4,994	4,334	4,728	7,660	10,860	10,860	10,860	10,860	89,101
Conservation Education	8,334	12,842	10,110	7,163	9,841	9,252	12,989	6,581	3,750	3,750	3,750	3,750	92,112
Space Conditioning	948	10,135	4,226	465	423	331	470	465	2,775	2,775	2,775	2,775	28,563
Residential Conservation Service	722	944	928	2,199	5,131	1,416	920	858	2,875	2,875	2,875	2,875	24,618
Residential Appliance Retention	34,365	37,885	49,809	33,845	26,436	28,491	30,355	24,237	37,032	37,032	37,032	37,034	413,553
Commercial Conservation	2,059	1,826	2,349	2,000	1,843	4,290	4,057	1,217	2,665	2,665	2,665	2,665	30,301
Res. Service Reactivation	1,135	0	0	0	0	0	0	0	1,950	1,950	1,950	1,950	8,935
Common	59,413	57,384	33,400	62,348	21,470	21,681	36,606	36,771	45,817	45,817	45,817	45,819	512,343
TOTAL ALL PROGRAMS	148,340	154,246	205,005	189,167	111,046	133,119	184,566	204,764	181,524	181,524	181,524	181,528	2,056,353

ENERGY CONSERVATION ADJUSTMENT
 JANUARY 2004 THROUGH DECEMBER 2004

	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	272,369	241,096	237,457	210,065	163,939	138,433	123,859	123,333	181,525	181,525	181,525	181,525	2,236,651
TOTAL REVENUES	272,369	241,096	237,457	210,065	163,939	138,433	123,859	123,333	181,525	181,525	181,525	181,525	2,236,651
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	2,450	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	29,466
CONSERVATION REVS. APPLIC. TO PERIOD	274,819	243,552	239,913	212,521	166,395	140,889	126,315	125,789	183,981	183,981	183,981	183,981	2,266,117
CONSERVATION EXPS. FORM C-3, PAGE 3)	148,340	154,246	205,005	189,167	111,046	133,119	184,566	204,764	181,524	181,524	181,524	181,528	2,056,353
TRUE-UP THIS PERIOD	126,479	89,306	34,908	23,354	55,349	7,770	(58,251)	(78,975)	2,457	2,457	2,457	2,453	209,764
INTEREST THIS PERIOD (C-3, PAGE 5)	80	165	210	238	277	346	377	323	282	283	283	284	3,147
TRUE-UP & INT. 3EG. OF MONTH	29,466	153,575	240,590	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	29,466
PRIOR TRUE-UP COLLECT. (REFUND.)	(2,450)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)	(29,466)
END OF PERIOD TOTAL NET TRUE-UP	153,575	240,590	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	212,911	212,911

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

	ACTUAL								PROJECTION				TOTAL
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	
INTEREST PROVISION													
BEGINNING TRUE-UP	29,466	153,575	240,590	273,251	294,387	347,557	353,217	292,887	211,779	212,062	212,346	212,630	
END. T-UP BEFORE INT.	153,495	240,425	273,042	294,149	347,280	352,871	292,510	211,456	211,780	212,063	212,347	212,627	
TOT. BEG. & END. T-UP	182,961	393,999	513,631	567,401	641,667	700,427	645,726	504,342	423,558	424,124	424,692	425,256	
AVERAGE TRUE-UP	91,481	197,000	256,816	283,700	320,833	350,214	322,863	252,171	211,779	212,062	212,346	212,628	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.06%	1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.60%	1.60%	1.60%	1.60%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.60%	1.60%	1.60%	1.60%	1.60%	
TOTAL	2.09%	2.01%	1.96%	2.01%	2.07%	2.37%	2.80%	3.07%	3.20%	3.20%	3.20%	3.20%	
AVG INTEREST RATE	1.05%	1.01%	0.98%	1.01%	1.04%	1.19%	1.40%	1.54%	1.60%	1.60%	1.60%	1.60%	
MONTHLY AVG. RATE	0.09%	0.08%	0.08%	0.08%	0.09%	0.10%	0.12%	0.13%	0.13%	0.13%	0.13%	0.13%	
INTEREST PROVISION	\$80	\$165	\$210	\$238	\$277	\$346	\$377	\$323	\$282	\$283	\$283	\$284	\$3,147

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5
PAGE 1 OF 9**

1. **Full House Residential New Construction Program**
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Service Program
6. Commercial Conservation Service Program
7. Conservation Education Program
8. Space Conditioning Program

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

This program is designed to increase the overall energy efficiency in the residential single- and multi-family new construction market by promoting energy-efficient natural gas appliances. The program offers builders and developers incentives in the form of cash allowances to defray the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$300
Water Heater	\$300
Range	\$ 85
Dryer	\$ 85

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 1,000 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$775,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through August 31, 2004, FPUC has connected 4,010 single- and multi-family homes to its natural gas system.

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PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$330
Water Heater	\$330
Range	\$ 50
Dryer	\$ 50

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 200 natural gas appliances will be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$77,930.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through August 2004, FPUC has connected 769 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

This program is designed to promote the retention of energy-efficient appliances for current natural gas customers. The program offers allowances to customers to assist in defraying the cost of purchasing and installing more expensive energy-efficient appliances.

PROGRAM ALLOWANCES:

Water Heater \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 1,125 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$520,797.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2004, FPUC has retained 3,348 natural gas water heaters connected to its distributions system.

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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and the installation of energy-efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service Reactivation (the installation of a water heater is required) \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 10 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$1,135.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2004, FPUC has not reactivated any services with water heaters as a result of this program.

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PROGRAM TITLE:

Residential Conservation Service Program

PROGRAM DESCRIPTION:

This program is designed to assist residential customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$28,694.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through August 31, 2004, only 18 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel will improve future marketing of this program to its customers.

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PROGRAM TITLE:

Commercial Conservation Service Program

PROGRAM DESCRIPTION:

This program is designed to assist commercial customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 50 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$52,378.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2004, 110 commercial customers have participated.

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PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

The purpose of this program is to teach adult and young people about conservation measures designed to reduce energy consumption and consequently reduce their utility bills.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

For the twelve-month period of January to December 2005, FPUC estimates that 45 adult and youth presentations with 450 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2005, FPUC estimates expenses of \$52,378.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2004, FPUC has given 55 adult and youth presentations.

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**SCHEDULE C-5
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PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

This program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for higher initial costs of natural gas space conditioning equipment and the associated installation costs. This program also reduces summer as well as winter peak demand and contributes to the conservation of kwh/kwd consumption.

PROGRAM ALLOWANCES:

Residential	\$1200 (For Robur model or equivalent unit)
Non-Residential	\$ 50 per ton

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2005, FPUC estimates that 2 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2005, FPUC estimates expenses of \$43,114.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2004, FPUC has connected 10 space conditioning projects to its natural gas system.

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