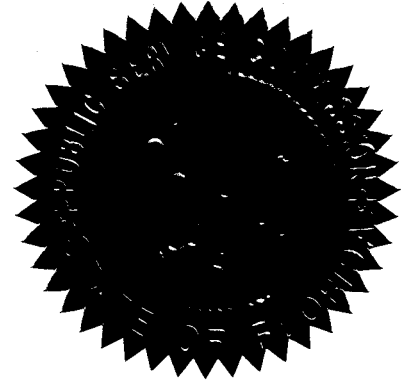


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU

In the Matter of

NATURAL GAS CONSERVATION  
COST RECOVERY.



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PROCEEDINGS: HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER KATRINA J. McMURRIAN  
COMMISSIONER NANCY ARGENZIANO  
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, November 4, 2008

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732

## 1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Akerman Law Firm, 106 East  
3 College Avenue, Suite 1200, Tallahassee, Florida 32301,  
4 appearing on behalf of Florida City Gas and the Florida  
5 Division of Chesapeake Utilities Corporation.

6 NORMAN H. HORTON, JR., ESQUIRE, Messer Law Firm, Post  
7 Office Box 15579, Tallahassee, Florida 32317, appearing on  
8 behalf of Florida Public Utilities Company and Sebring Gas  
9 System, Inc.

10 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Young Law Firm, 225  
11 South Adams Street, Suite 200, Tallahassee, Florida 32301,  
12 appearing on behalf of Indiantown Gas Company.

13 KATHERINE FLEMING, ESQUIRE, FPSC General Counsel's  
14 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
15 32399-0850, appearing on behalf of the Commission Staff.

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## I N D E X

## WITNESSES

	NAME:	PAGE NO.
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5	Prefiled Direct Testimony Inserted	6
6	THOMAS A. GEOFFROY	
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8	CAROLYN BERMUDEZ	
9	Prefiled Direct Testimony Inserted	12
10	MARC S. SEAGRAVE	
11	Prefiled Direct Testimony Inserted	17
12	MELISSA M. POWERS	
13	Prefiled Direct Testimony Inserted	26
14	KANDI M. FLOYD	
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## EXHIBITS

NUMBER:		ID.	ADMTD.
1	Comprehensive Exhibit List	5	5
2	Staff's Composite Exhibit 2 - Stipulated	5	5
3	MD-1	5	5
4	TG-2	5	5
5	CB-1	5	5
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9	MMP-1	5	5
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11	KMF-1	5	5
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14	DKS-2	5	5
15	JHM-1	5	5
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## P R O C E E D I N G S

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**CHAIRMAN CARTER:** Commissioners, staff, let's move now to Docket 080004-GU. I'll give you an opportunity to get there, and then we will get to staff. Let me move the paperwork around here.

Staff, you're recognized.

**MS. FLEMING:** With respect to the 04 docket, we would once again note that St. Joe Natural Gas and Peoples Gas System have been excused from the hearing in this docket. There are proposed stipulations on all issues and all witnesses have been excused. With that, staff would ask that the prefiled testimony of all witnesses identified on Page 4 of the prehearing order be inserted into the record as though read.

**CHAIRMAN CARTER:** The prefiled testimony of all the witnesses will be entered into the record as though read.

**MS. FLEMING:** Once again, staff has compiled a Comprehensive Exhibit List which includes prefiled testimony, and staff would ask that Exhibits 1 through 19 be marked and move into the record.

**CHAIRMAN CARTER:** Without objection, show it done.

(Exhibit Numbers 1 through 19 marked for identification and admitted into the record.)

## 1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost Recovery Clause

3 DIRECT TESTIMONY OF MATTHEW DEWEY

4 On Behalf of5 Chesapeake Utilities Corporation

6 DOCKET NO. 080004-GU

7 Q. Please state your name, business address, by whom you are employed, and in  
8 what capacity.

9 A. My name is Matthew Dewey. My business address is 909 Silver Lake Blvd,  
10 Dover, DE 19904. I am employed by Chesapeake Utilities Corporation  
11 ("Chesapeake") as the Director of Business Unit Accounting.

12 Q. Are you familiar with the energy conservation programs of Chesapeake and  
13 the revenues and costs that are associated with these programs?

14 A. Yes.

15 Q. What is the purpose of your testimony in this docket?

16 A. The purpose of my testimony is to present data and summaries concerning the  
17 planned and actual accomplishments of Chesapeake's energy conservation  
18 programs during the period January 2007 through December 2007. Data  
19 related to calculation of the true-up for this period is also included.

20 Q. Have you prepared summaries of Chesapeake's conservation programs and  
21 the costs associated with them?

22 A. Yes. Summaries of the seven programs in connection with which Chesapeake  
23 incurred recoverable costs during the period January 2007 through December

1 2007 are contained in Schedule CT-6 of Exhibit MD-1. Included are our  
2 Residential New Construction Program, Residential Appliance Replacement  
3 Program, Residential Propane Distribution Program, Residential Appliance  
4 Retention Program, Natural Gas Space Conditioning for Residential Homes  
5 Program, Gas Space Conditioning Program, and the Conservation Education  
6 Program.

7 Q. Have you prepared schedules which show the expenditures associated with  
8 Chesapeake's energy conservation programs for the periods you have  
9 mentioned?

10 A. Yes. Schedule CT-2 page 1, Exhibit MD-1 shows actual expenses for the  
11 period, and also shows a comparison of the actual program costs and true-up  
12 with the estimated costs and true-up submitted at the November 2007 hearing  
13 in this docket.

14 Q. What was the total cost incurred by Chesapeake in connection with the seven  
15 programs during the twelve months ending December 2007?

16 A. As shown in Exhibit MD-1, Schedule CT-2, page 2, total program costs were  
17 \$906,159. This total is \$(40,140) less than our projection of the program costs  
18 for the twelve month period.

19 Q. Have you prepared, for the twelve month period involved, a schedule which  
20 shows the variance of actual from projected costs by categories of expenses.

21 A. Yes. Schedule CT-2, page 3, of Exhibit MD-1 shows these variances.

22 Q. What is Chesapeake's adjusted net true-up for the twelve months ended  
23 December 2007?

1 A. As shown on Schedule CT-2, page 1, we originally estimated an over-  
2 recovery, including interest, of (\$339,335). This projected true-up amount  
3 was based on conservation revenues of \$1,272,013 for the period January  
4 2007 through December 2007. However, the approved energy conservation  
5 rates for transportation services during this period actually yielded  
6 conservation revenues of \$1,279,202, or \$7,189 over projection. Expenses  
7 for the period were \$(40,140) less than projected. The total difference,  
8 including interest of \$586, is \$(46,744).

9 Q. Is this adjusted net true-up of \$(46,744) an over-recovery or an under-  
10 recovery?

11 A. An over-recovery, as shown on Schedule CT-1 of Exhibit MD-1.

12 Q. Does this conclude your testimony?

13 A. Yes, it does.



## 1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Natural Gas Conservation Cost Recovery

3 DIRECT TESTIMONY OF THOMAS A. GEOFFROY

4 On behalf of5 The Florida Division of Chesapeake Utilities Corporation6 DOCKET NO. 080004-GU

7 Q. Please state your name, occupation, and business address.

8 A. My name is Thomas A. Geoffroy. I am the Vice President of the Florida Division of  
9 Chesapeake Utilities Corporation. My business address is 1015 6th Street, N.W.,  
10 Winter Haven, Florida 33881.

11 Q. Describe briefly your educational background and relevant professional background.

12 A. I have a Bachelor's of Science degree in Accounting from the University of Florida. I  
13 have been employed in the natural gas industry in Florida for over twenty years, in  
14 various accounting and management roles. I was first employed by the Florida  
15 Division of Chesapeake Utilities Corporation in November 1996 as the Florida  
16 Regional Manager.17 Q. Are you familiar with the energy conservation programs of the Company and costs  
18 which have been, and are projected to be, incurred in their implementation?

19 A. Yes.

20 Q. What is the purpose of your testimony in this docket?

21 A. To describe generally the expenditures made and projected to be made in  
22 implementing, promoting, and operating the Company's energy conservation  
23 programs. This will include recoverable costs incurred in January through July 2008  
24 and projections of program costs to be incurred from August through December 2008.  
25 It will also include projected conservation costs for the period January through

1 December 2009, with a calculation of the Energy Conservation Cost Recovery  
2 Adjustment and Energy Conservation Cost Recovery Adjustment (Experimental)  
3 factors to be applied to the customers' bills during the collection period of January 1,  
4 2009 through December 31, 2009.

5 Q. Have you prepared summaries of the Company's conservation programs and the costs  
6 associated with these programs?

7 A. Yes. Summaries of the seven programs are contained in Schedule C-4 of Exhibit TG-  
8 2. Included are the Residential New Construction Program, the Residential Appliance  
9 Replacement Program, the Residential Propane Distribution Program, the Residential  
10 Appliance Retention Program, the Natural Gas Space Conditioning for Residential  
11 Homes Program, the Gas Space Conditioning Program, and the Conservation  
12 Education Program.

13 Q. Have you prepared schedules that show the expenditures associated with the  
14 Company's energy conservation programs for the periods you have mentioned?

15 A. Yes, Schedule C-3, Exhibit TG-2 shows actual expenses for the months January  
16 through July 2008. Projections for August through December 2008 are also shown on  
17 Schedule C-3. Projected expenses for the January through December 2009 period are  
18 shown on Schedule C-2 of Exhibit TG-2.

19 Q. Have you prepared schedules that show revenues for the period January 2008 through  
20 December 2008?

21 A. Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January  
22 through July 2008. Projections for August through December 2008 are also shown on  
23 Schedule C-3 (Page 4 of 5).

- 1 Q. Have you prepared a schedule that shows the calculation of the Company's proposed  
2 Energy Conservation Cost Recovery Adjustment factors to be applied during billing  
3 periods from January 1, 2009 through December 31, 2009?
- 4 A. Yes. Schedule C-1 of Exhibit TG-2 shows these calculations. Net program cost  
5 estimates for the period January 1, 2009 through December 31, 2009 are used. The  
6 estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit TG-2,  
7 being an over-recovery, was added to the total of the projected costs for the twelve-  
8 month period. The total amount was then divided among the Company's rate classes,  
9 excluding customers who are on market-based rates, based on total projected  
10 contribution. The results were then divided by the projected gas throughput for each  
11 rate class for the twelve-month period ending December 31, 2009. The resulting  
12 Energy Conservation Cost Recovery Adjustment factors are shown on Schedule C-1  
13 (page 1 of 2) of Exhibit TG-2.
- 14 Q. Have you prepared a schedule that shows the calculation of the Company's proposed  
15 Energy Conservation Cost Recovery Adjustment (Experimental) factors for certain  
16 rate classes on an experimental basis to be applied during billing periods from January  
17 1, 2009 through December 31, 2009?
- 18 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B, FTS-1,  
19 FTS-2, and FTS-3. A similar calculation as the per therm rate described above was  
20 made; however, the projected number of bills for each rate class for the twelve-month  
21 period ending December 31, 2009 was utilized. The resulting Energy Conservation  
22 Cost Recovery Adjustment (Experimental) factors are shown on Schedule C-1 (page 2  
23 of 2) of Exhibit TG-2.
- 24 Q. Does this conclude your testimony?
- 25 A. Yes, it does.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF CAROLYN BERMUDEZ

3 ON BEHALF OF

4 FLORIDA CITY GAS

5 DOCKET NO. 080004-GU

6 MAY 1, 2008

7

8

**Q. Please state your name, business address, by whom you are  
employed, and in what capacity.**

9

10

11

**A. My name is Carolyn Bermudez and my business address is 955 East 25th  
Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as  
Manager of Business Operations.**

12

13

14

15

**Q. Are you familiar with the energy conservation programs of Florida  
City Gas?**

16

17

18

**A. Yes, I am.**

19

20

**Q. Are you familiar with the costs that have been incurred and that are  
projected to be incurred by Florida City Gas in implementing its  
energy conservation programs?**

21

22

23

24

**A. Yes, I am.**

25

1           **Q.    What is the purpose of your testimony in this docket?**

2           A.    To submit the recoverable costs incurred during the period ending  
3                December 31, 2007, and to identify the final true-up amount related to that  
4                period.

5

6           **Q.    Has Florida City Gas prepared schedules which show the**  
7                **expenditures associated with its energy conservation programs for**  
8                **the period you have mentioned?**

9

10          A.    Yes. I have prepared and filed together with this testimony Exhibit CB-1  
11                consisting of Schedules CT-1, CT-2 and CT-3.

12

13          **Q.    What amount did Florida City Gas spend on conservation programs**  
14                **during this period?**

15

16          A.    \$2,345,976.

17

18          **Q.    What is the final true-up amount associated with the period**  
19                **ending December 31, 2007?**

20

21          A.    An under-recovery of \$585,061.

22

23          **Q.    Does this conclude your testimony?**

24

25          A.    Yes, it does.

## 1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

## 2 DIRECT TESTIMONY OF CAROLYN BERMUDEZ

3 ON BEHALF OF

4 FLORIDA CITY GAS

5 DOCKET NO. 080004-GU

6 September 10, 2008

7

8 **Q. Please state your name, business address, by whom you are employed, and**  
9 **in what capacity.**

10

11 A. My name is Carolyn Bermudez and my business address is 955 East 25th Street,  
12 Hialeah, Florida 33013-3498. I am employed by Florida City Gas as Manager of  
13 Business Operations.

14

15 **Q. Are you familiar with the energy conservation programs of Florida City**  
16 **Gas?**

17

18 A. Yes, I am.

19

20 **Q. Are you familiar with the costs that have been incurred and are projected to**  
21 **be incurred by Florida City Gas in implementing its energy conservation**  
22 **programs?**

23

24 A. Yes, I am.

1

2 **Q. What is the purpose of your testimony in this docket?**

3

4 A. To submit the conservation cost recovery true-up for the final true-up period  
5 January 1, 2007 through December 31, 2007, and for the actual and estimated  
6 period of January 1, 2008, through December 31, 2008. I will also present the  
7 total level of costs Florida City Gas seeks to recover through its conservation  
8 factors during the period January 1, 2009 through December 31, 2009, as well as  
9 the conservation factors which, when applied to our customer's bills during the  
10 period January 1, 2009 through December 31, 2009, will permit recovery of total  
11 ECCR costs.

12

13 **Q. What is the Company's estimated true-up for the period January 1, 2008**  
14 **through December 31, 2008?**

15

16 A. An under-recovery of \$786,742. This amount is calculated on page 4 of  
17 Schedule C-3 and takes into account the final audited true-up for the year ended  
18 December 31, 2007, which was an over-recovery of \$126,342, including interest.

19 **Q. What is the total cost Florida City Gas seeks to recover during the period**  
20 **January 1, 2009 through December 31, 2009?**

21

22 A. \$3,204,167. This represents the projected costs of \$2,417,425 to be incurred  
23 during 2009, plus the estimated true-up of \$ 786,742 for calendar year 2008.

1 **Q. What conservation factors does Florida City Gas need to permit recovery of**  
2 **these costs?**

3

4	A.	GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.09304
5		GS-600 (Sales & Transportation)	\$0.04875
6		GS-1200 (Sales & Transportation)	\$0.03115
7		GS-6k (Sales & Transportation)	\$0.02499
8		GS-25000 (Sales & Transportation)	\$0.02452
9		GS-60000 (Sales & Transportation)	\$0.02394
10		Gas Lights	\$0.04846
11		GS-120000 (Sales & Transportation)	\$0.01785
12		GS-250000 (Sales & Transportation)	\$0.01643

13

14 **Q. Has Florida City Gas prepared schedules to support its requested**  
15 **Conservation Cost Recovery Factor?**

16

17 A. Yes. I have prepared and filed together with this testimony Schedules C-1  
18 through C-3 as prescribed by Commission Staff, as well as Schedule C-5, which  
19 sets forth the progress of the Company's conservation programs.

20

21 **Q. Does this conclude your testimony?**

22

23 A. Yes, it does.



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 080004-GU  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of  
MARC S. SEAGRAVE

On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Marc S. Seagrave: my business address is 401 S. Dixie Highway,  
3 West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Director of  
6 Marketing and Sales.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery of the  
9 Conservation costs for the period January 1, 2007 through  
10 December 31, 2007 as compared to the amount previously reported  
11 for that period which was based on seven months actual and five  
12 months estimated data.

13 Q. Please state the actual amount of over/under recovery of  
14 Conservation Program costs for the gas divisions of Florida  
15 Public Utilities Company for January 1, 2007 through December 31,  
16 2007.

1 A. The Company over-recovered \$425,650 during that period. This  
2 amount is substantiated on Schedule CT-3, page 2 of 3,  
3 Calculation of True-up and Interest Provision.

4 Q. How does this amount compare with the estimated true-up amount  
5 which was allowed by the Commission?

6 A. We had estimated that we would over-recover \$524,296 as of  
7 December 31, 2007.

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

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,  
10 CT-5 and CT-6 (Composite Exhibit MSS-1).

11 Q. Does this conclude your testimony?

12 A. Yes.

1 BEFORE THE  
2 FLORIDA PUBLIC SERVICE COMMISSION  
3 DOCKET NO. 080004-GU  
4 DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

5  
6 Direct Testimony of  
7 MARC S. SEAGRAVE  
8 On Behalf of  
9 FLORIDA PUBLIC UTILITIES COMPANY  
10 CONSOLIDATED NATURAL GAS DIVISION  
11

- 12 Q. Please state your name and business address.
- 13 A. Marc S. Seagrave. My business address is P.O. Box  
14 3395, West Palm Beach, Florida 33402-3395.
- 15 Q. By whom are you employed and in what capacity?
- 16 A. I am employed by Florida Public Utilities Company  
17 as Director of Marketing and Sales.
- 18 Q. What is the purpose of your testimony at this time?
- 19 A. To advise the Commission as to the Conservation  
20 Cost Recovery Clause Calculation for the period  
21 January 2009 through December 2009 and to clarify  
22 the use of "Good Cents" branding to support Florida  
23 Public Utilities conservation programs.
- 24 Q. What are the total projected costs for the period  
25 January 2009 through December 2009 in the  
26 Consolidated Natural Gas Division?
- 27 A. The total projected Conservation Program Costs are  
28 \$2,250,000. Please see Schedule C-2, page 2, for  
29 the programmatic and functional breakdown of these  
30 total costs.

- 1 Q. What is the true-up for the period January 2008  
2 through December 2008?
- 3 A. As reflected in the Schedule C-3, Page 4 of 5, the  
4 True-up amount for the Consolidated Natural Gas  
5 Division is an over-recovery of \$409,776.
- 6 Q. What are the resulting net total projected  
7 conservation costs to be recovered during this  
8 projection period?
- 9 A. The total costs to be recovered are \$1,840,224.
- 10 Q. What is the Conservation Adjustment Factor  
11 necessary to recover these projected net total  
12 costs?
- 13 A. The Conservation Adjustment Factors per them for  
14 the Consolidated Natural Gas Division are:
- |                                |           |
|--------------------------------|-----------|
| 15 Residential                 | \$ .06803 |
| 16 General Service and         |           |
| 17 GS Transportation           | \$ .02934 |
| 18 Large Volume Service and    |           |
| 19 LV Transportation <50,000   | \$ .02062 |
| 20 Large Volume Transportation |           |
| 21 Service >50,000             | \$ .02062 |
- 22 Q. Are there any exhibits that you wish to sponsor in  
23 this proceeding?
- 24 A. Yes. I wish to sponsor as Exhibits Schedules C1,  
25 C-2, C-3, and C-5 (Composite Prehearing

1 Identification Number MSS-2), which have been filed  
2 with this testimony.

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

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

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

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

20 Q. How does Florida Public Utilities utilize this  
21 branding?

22 A. The Company uses the "Good Cents" branding to  
23 create an awareness of its energy conservation and  
24 fuel neutral programs among consumers, businesses,  
25 builders and developers. Florida Public Utilities  
26 will leverage the high visibility brand, well

1 established national image of quality, value and  
2 savings, established public awareness (nearly 30%  
3 national average) and proven promotional lift  
4 (average 11%) to build participation in our  
5 residential and commercial energy conservation  
6 programs. We will apply the branding strategy to  
7 promotional activities via broadcast and print  
8 media, educational events and collateral materials.  
9 Through this branding, end users and specifiers can  
10 readily identify where to obtain energy expertise  
11 to assist them with their energy decisions.

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

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

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

21 A. Yes, the estimated cost of the campaign and  
22 services are included in the budget projections for  
23 2009.

24 Q. The Staff has published two issues to be addressed  
25 in this docket for FPUC. Are you familiar with  
26 them?

1 A. Yes.

2 Q. Issue 6 identified by Staff addresses expenses  
3 associated with the SGA Builders and Developers  
4 Conference. Would you explain the basis for  
5 including these expenses?

6 A. FPU participates on the residential marketing  
7 committee of the Southern Gas Association. As a  
8 member of the committee, FPU assists in the  
9 planning for the event and the content to which the  
10 natural gas industry intends for the  
11 builder/developer audience to hear and learn from.  
12 Much of the SGA builder and developer conference is  
13 centered on the benefits of natural gas to the  
14 consumer, much of which encourages construction  
15 methods that incorporate the use of natural gas a  
16 domestically produced energy source that when used  
17 conserves electric generation and the fuel source  
18 of that generation.  
19 The conference also serves as a platform for  
20 builders and developers to network with each other  
21 and to make the necessary contacts in the natural  
22 gas industry so that they can learn more about  
23 constructing homes with natural gas and the  
24 conservation rebate programs that are available to  
25 them. The attendees are encouraged to bring their  
26 spouses along so that they too can be part of the

1 education and decision making process. FPU  
2 attendees also bring along spouses so as to balance  
3 out the interaction and networking. There are  
4 social events planned at each conference for the  
5 participants to attend so that they are able to get  
6 to know one another on a more personal business.  
7 The social activities have long proven to help in  
8 the process of getting the natural gas message  
9 across and brining the business parties together in  
10 a less structured environment.

11 Q. Issue 7 as identified by Staff addresses the  
12 expenses associated with the Demo Kitchen. Would  
13 you explain this and the basis for including these  
14 expenses?

15 A. In an effort to promote energy efficiency and FPU's  
16 Natural Gas Conservation Appliance Rebate Programs,  
17 FPU decided to construct a kitchen with Energy Star  
18 appliances to communicate this message. The goal  
19 in creating FPU's Energy Star kitchen was to dispel  
20 the myth that a customer must be willing to  
21 sacrifice looks and performance to achieve energy  
22 efficiency. By creating an Energy Star Kitchen  
23 with a high end look, FPU demonstrates to our  
24 customers that energy efficiency and style are not  
25 mutually exclusive. Additionally, the Energy Star  
26 Kitchen promotes energy efficiency by utilizing the



1 brand recognition of the Energy Star label as a  
2 means to visually promote our customers to purchase  
3 appliances with the highest energy ratings. Lastly,  
4 FPU also engaged in creating the Energy Star  
5 kitchen as a means to communicate to our customer  
6 that FPU has officially become a member of the  
7 joint venture between the Environmental Protection  
8 Agency and the Department of Energy's Energy Star  
9 program.

10 Q. Does this conclude your testimony?

11 A. Yes.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **DIRECT TESTIMONY**

3   **OF MELISSA M. POWERS**

4   **ON BEHALF OF INDIANTOWN GAS COMPANY, INC**

5   **DOCKET NO. 080004-GU**

6   **September 2008**

7  
8   **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9   A.    My name is Melissa M. Powers. My business address is Indiantown Gas  
10        Company, Inc., P.O. Box 8, Indiantown, FL 34956.

11 **Q.    BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12 A.    I am the Chief Financial Officer of Indiantown Gas Company (IGC or the  
13        Company).

14 **Q.    WHAT ARE YOUR CURRENT DUTIES AS THE COMPANY'S CFO?**

15 A.    I oversee all of the Company's accounting, customer billing and regulatory  
16        reporting functions. I am also responsible for administering the Company's  
17        energy conservation programs. In that capacity, I am familiar with each program  
18        and the costs and revenues associated with their administration.

19 **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20 A.    To submit the conservation cost recovery true-up for the final true-up period  
21        January 1, 2007 through December 31, 2007, and for the actual and estimated

1 period of January 1, 2008 through December 31, 2008. As part of my submittal,  
2 I will present actual and projected expenditures and conservation revenues  
3 related to promoting and administering the Company's energy conservation  
4 programs. I will indicate the total costs IGC seeks to recover through its  
5 conservation factors during the period January 1, 2009 through December 31,  
6 2009. Finally, I will also propose the energy conservation cost recovery factors  
7 which, when applied to consumer bills during the period January 1, 2009  
8 through December 31, 2009, will permit recovery of IGC's total conservation  
9 program costs.

10 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**  
11 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**  
12 **THESE PROGRAMS?**

13 A. Yes. Summaries of IGC's four approved programs are included in Schedule C-  
14 5 of Exhibit MMP-1. Included are the Residential New Construction Program,  
15 the Residential Appliance Replacement Program, the Residential Appliance  
16 Retention Program, and the Conservation Education Program.

17 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE PERIOD**  
18 **JANUARY 1, 2008 THROUGH DECEMBER 31, 2008?**

19 A. The Company is over-recovered by \$21,610. This amount is calculated on page  
20 4 of Schedule C-3 and accounts for the final audited true-up for the year  
21 January 1, 2007 through December 31, 2007, which is an over-recovery of  
22 \$1,390, including interest. The magnitude of the over-recovery is primarily due

1 to an unanticipated increase in therm sales (and conservation revenue) to an  
2 industrial citrus processor served by the Company.

3 **Q. WHAT IS THE TOTAL COST IGC SEEKS TO RECOVER DURING THE**  
4 **PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009?**

5 A. As indicated on Schedule C-1, IGC seeks to recover \$7,378 during the  
6 referenced period. This amount represents the projected costs of \$28,988 to be  
7 incurred during 2009, plus the estimated true-up of (\$21,610) for calendar year  
8 2008.

9 **Q. WHAT ARE THE ENERGY CONSERVATION FACTORS FOR EACH**  
10 **APPLICABLE RATE CLASS NEEDED TO RECOVER IGC'S COSTS?**

11 A. TS-1 \$0.01339

12 TS-2 \$0.00233

13 TS-4 \$0.00087

14 **Q. HAS IGC PREPARED SCHEDULES TO SUPPORT ITS REQUESTED**  
15 **ENERGY CONSERVATION COST RECOVERY FACTORS?**

16 A. Yes. Schedules C-1 through C-3 and Schedule C-5 are submitted with my  
17 testimony as Exhibit No. MMP-1

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **In Re: Conservation Cost Recovery True-Up**

3                   **Direct Testimony of Melissa M. Powers**

4                   **On Behalf of**

5                   **Indiantown Gas Company, Inc.**

6                   **Docket No. 080004-GU**

7

8   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9   A.   My name is Melissa M. Powers. My business address is Indiantown  
10       Gas Company, Inc., P.O. Box 8, Indiantown, FL 34956.

11 **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12 A.   I am the Chief Financial Officer of Indiantown Gas Company, Inc. (the  
13       "Company").

14 **Q.   ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**  
15 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS**  
16 **THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

17 A.   Yes.

18 **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
19 **DOCKET?**

20 A.   The purpose of my testimony is to submit the recoverable energy  
21       conservation program expenses incurred during the period January  
22       2007 through December 2007, and to identify the final true-up amount  
23       for that period.

1 **Q. IS THIS THE COMPANY'S FIRST PARTICIPATION IN THE**  
2 **COMMISSION'S ANNUAL ENERGY CONSERVATION TRUE-UP**  
3 **PROCEEDING?**

4 A. Yes. The Company received authorization from the Commission in  
5 Order No. PSC-07-0531-TRF-EG, issued June 26, 2007, to offer  
6 energy conservation programs to its customers. The expenses  
7 included in this true-up filing are for the initial development of the  
8 programs, and the administrative and allowance expenses and  
9 revenues associated with program implementation subsequent to  
10 Commission approval. Given that the Company's programs were  
11 initiated in mid-2007, there is no beginning true-up amount from a prior  
12 annual period.

13 **Q. DID THE COMPANY PARTICIPATE IN THE ENERGY**  
14 **CONSERVATION COST RECOVERY FACTOR PROCEEDINGS IN**  
15 **DOCKET NO. 070004-EG?**

16 A. Yes. On September 14, 2007, the Company filed a petition and  
17 testimony in Docket 070004-GU requesting that the Company's initial  
18 cost recovery factors approved by the Commission on August 24, 2007  
19 be continued through 2008. The Commission authorized the Company  
20 to continue the application of its existing cost recovery factors through  
21 2008 in Order No. PSC-07-0935-FOF-GU issued on November 26,  
22 2007. No projected revenues or expenses from the 070004 Docket

1 have been included in this filing. The Company's true-up amount  
2 reflects actual expenses and actual revenues in 2007.

3 **Q HAVE YOU PREPARED SUMMARIES OF THE COMPANY'S**  
4 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**  
5 **WITH THEM?**

6 A. Yes. Summaries of the four (4) approved programs for which the  
7 Company incurred recoverable costs during the period January 2007  
8 through December 2007 are included in Schedule CT-6 of Exhibit  
9 MMP-1. The programs are: the Residential New Construction Program,  
10 the Residential Appliance Replacement Program, the Residential  
11 Appliance Retention Program, and the Conservation Education  
12 Program.

13 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**  
14 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**  
15 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

16 A. Yes. I have prepared and filed with this testimony Exhibit MMP-1  
17 consisting of Schedules CT-1, CT-2 and CT-3.

18 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY IN**  
19 **CONNECTION WITH THE FOUR (4) PROGRAMS DURING THE**  
20 **TWELVE MONTHS ENDING DECEMBER 2007?**

21 A. As shown in Exhibit MMP-1, Schedule CT-2, page 2, total program  
22 costs were \$15,563.

1 Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE  
2 MONTHS ENDED DECEMBER 2007?

3 A. An over recovery of \$1,633.

4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5 A. Yes, it does.



**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION****PREPARED DIRECT TESTIMONY****OF****KANDI M. FLOYD**

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5  
6 Q. Please state your name, business address, by whom you are employed, and in what  
7 capacity?

8  
9 A. My name is Kandi M. Floyd. My business address is Peoples Gas System, 702 North  
10 Franklin Street, P.O. Box 2562, Tampa, Florida 33601-2562. I am employed by  
11 Peoples Gas System ("Peoples" or "Company") and am the Manager of State  
12 Regulatory.

13  
14 Q. Please describe your educational and employment background.

15  
16 A. I have a Bachelor of Arts Degree in Business Administration from Saint Leo  
17 University. From 1995 to 1997, I was employed in a series of positions within the  
18 regulatory affairs department of Tampa Electric Company. In 1998, I joined Peoples  
19 Gas System as a Regulatory Coordinator in the Regulatory and Gas Supply  
20 Department. In 2001, I became Peoples' Energy Conservation/Regulatory  
21 Administrator and held that position until assuming my current position in 2003 . In  
22 this role, I am responsible for coordinating and overseeing all Energy Conservation  
23 Cost Recovery ("ECCR") Clause activities along with various other regulatory  
24 activities for Peoples.

25

1 Q. What is the purpose of your testimony in this docket?

2  
3 A. My testimony addresses Peoples' conservation programs, the expenses that Peoples  
4 has incurred, the revenues recovered by Peoples through the ECCR clause from  
5 January 2008 through August 2008, and the costs that Peoples seeks to recover  
6 through the ECCR clause in 2009.

7  
8 First, my testimony describes generally the actual and projected expenditures made for  
9 the purpose of implementing, promoting and operating Peoples' energy conservation  
10 programs for the current period. This information includes the adjusted net true-up  
11 amounts associated with those programs for the period January 2007 through  
12 December 2007. Next, my testimony addresses the actual costs incurred from January  
13 2008 through August 2008, and revised projections of program costs that Peoples  
14 expects to incur from September 2008 through December 2008. In addition, my  
15 testimony presents projected conservation program costs for the period January 2009  
16 through December 2009.

17  
18 Finally, my testimony presents the calculation of the conservation cost recovery  
19 adjustment factors to be applied to customers' bills during the period beginning with  
20 the first billing cycle for January 2009 and continuing through the last billing cycle for  
21 December 2009.

22  
23 Q. Are you sponsoring any exhibits with your testimony?

24  
25 A. Yes. I am sponsoring two exhibits produced under my direction and supervision.

1 Exhibit \_\_\_\_ (KMF-1) contains the conservation cost recovery true-up data for the  
2 period January 2007 through December 2007, and Exhibit \_\_\_\_ (KMF-2) contains the  
3 conservation cost recovery true-up data for the period January 2008 through August  
4 2008 as well as re-projected expenses for the period September 2008 through  
5 December 2008 for all areas served by Peoples.. In addition, Exhibit \_\_\_\_ (KMF-2)  
6 consists of Schedules C-1 through C-5, which contain information related to the  
7 calculation of the ECCR factors to be applied to customers' bills during the period  
8 January 2009 through December 2009.

9  
10 Q. Have you prepared schedules showing the expenditures associated with Peoples'  
11 energy conservation programs for the period January 2007 through December 2007?

12  
13 A. Yes. Actual expenses for the period January 2007 through December 2007 are shown  
14 on Schedule CT-2, page 2, of Exhibit \_\_\_\_ (KMF-1). Schedule CT-2, page 1 presents  
15 a comparison of the actual program costs and true-up amount to the projected costs  
16 and true-up amount for the same period.

17  
18 Q. What are the Company's true-up amounts for the period January 2007 through  
19 December 2007?

20  
21 A. As shown on Schedule CT-1 of Exhibit \_\_\_\_ (KMF-1), the end-of-period net true-up  
22 for the period is an overrecovery of \$ 5,922,525 including both principal and interest.  
23 The projected true-up for the period, as approved by Commission Order No. PSC-07-  
24 0935-FOF-GU, was an overrecovery of \$6,474,823 (including interest). Subtracting  
25 the projected true-up overrecovery from the actual overrecovery yields the adjusted

1 net true-up of \$552,298 underrecovery (including interest).  
2

3 Q. Have you prepared summaries of the Company's conservation programs and the  
4 projected costs associated with these programs?

5  
6 A. Yes. Summaries of the Company's programs are presented in Schedule C-5 of Exhibit  
7 \_\_\_\_ (KMF-2).  
8

9 Q. Have you prepared schedules required for the calculation of Peoples' proposed  
10 conservation adjustment factors to be applied during the billing periods from January  
11 2009 through and including December 2009?  
12

13 A. Yes. Schedule C-3 of Exhibit \_\_\_\_ (KMF-2) shows actual expenses for the period  
14 January 2008 through August 2008 and projected expenses for the period September  
15 2008 through December 2008.  
16

17 Projected expenses for the January 2009 through December 2009 period are shown on  
18 Schedule C-2 of Exhibit \_\_\_\_ (KMF-2). The total annual cost projected represents a  
19 continuation of Peoples' active expansion of the availability of natural gas throughout  
20 Florida. Schedule C-1 shows the calculation of the conservation adjustment factors to  
21 be applied to all customers of the Company who are subject to the factors. The  
22 estimated true-up amount from Schedule C-3 (Page 4) of Exhibit \_\_\_\_ (KMF-2), an  
23 overrecovery, was subtracted from the total of the projected costs for the January 2009  
24 through December 2009 period. The resulting total of \$4,047,089 is the expense to be  
25 recovered during calendar year 2009. This total expense was then allocated to the

1 Company's affected rate classes pursuant to the methodology previously approved by  
2 the Commission, divided by the expected consumption of each rate class, and then  
3 adjusted for the regulatory assessment fee.

4  
5 Schedule C-1 of Exhibit \_\_\_\_ (KMF-2) shows the resulting estimated ECCR revenues  
6 and adjustment factors by rate class for the period January 2009 through December  
7 2009.

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9 Q. Does this conclude your prefiled direct testimony?

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11 A. Yes, it does.  
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1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2. In Re: Conservation Cost  
Recovery ClauseDocket No. 080004-GU  
Filing Date: April 28, 2008

3. \_\_\_\_\_/

4.

5. **DIRECT TESTIMONY OF DEBBIE STITT ON**  
6. **BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.**

6.

7. Q. Please state your name, business address, by whom you are  
8. employed and in what capacity.9. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456  
10. St. Joe Natural Gas Company in the capacity of Energy  
11. Conservation Analyst.

12. Q. What is the purpose of your testimony?

13. A. My purpose is to submit the expenses and revenues  
14. associated with the Company's conservation programs  
15. during the twelve month period ending December 31, 2007  
16. and to identify the final true-up amount related to that  
17. period.18. Q. Have you prepared any exhibits in conjunction with your  
19. testimony?20. A. Yes, I have prepared and filed together with this testi-  
21. mony this 28th day of April, 2008 Schedules CT-1 through  
22. CT-5 prescribed by the Commission Staff which have  
23. collectively been entitled "Adjusted Net True-up for  
24. twelve months ending December 31, 2007" for identi-  
25. fication.

1. Q. What amount did St. Joe Natural Gas spend on conser-  
2. vation programs during the period?

3. A. \$73,171.00

4. Q. What is the final true-up amount associated with this  
5. twelve month period ending December 31, 2007?

6. A. An under-recovery of \$23,707.00.

7. Q. Does this conclude your testimony?

9. A. Yes

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## 1           BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2   In Re:  Conservation Cost       )  
3           Recovery Clause        )  
4           \_\_\_\_\_                  )Docket No.080004-EG  
Submitted for Filing  
September 12, 20085                   DIRECT TESTIMONY OF DEBBIE STITT ON BEHALF OF  
6                   ST. JOE NATURAL GAS COMPANY, INC.7   Q.   Please state your name, business address, by whom you  
8       are employed and in what capacity.9   A.   Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida  
10       32456, St Joe Natural Gas Company in the capacity of  
11       Energy Conservation Analyst.

12  Q.   What is the purpose of your testimony?

13  A.   My purpose is to submit the known and projected expenses and  
14       revenues associated with SJNG's conservation programs incurred  
15       in January thru August 2008 and projection costs to be incurred  
16       from Sept. 2008 through December 2008.  It will also include  
17       projected conservation costs for the period January 1, 2009  
18       through December 31, 2009 with a calculation of the conservation  
19       adjustment factors to be applied to the customers' bills during  
20       the January 1, 2009 through December 31, 2009 period.

21  Q.   Have you prepared any exhibits in conjunction with your testimony?

22  A.   Yes, I have prepared and filed to the Commission the 12<sup>th</sup> day of  
23       September 2008 Schedule C-1 prescribed by the Commission Staff  
24       which has collectively been titled "Energy Conservation Adjustment  
25       Summary of Cost Recovery Clause Calculation for months January



1 1, 2009 through December 31, 2009" for identification.

2 Q. Is the Company proposing to revise the applicability of its tariff  
3 Energy Conservation Cost Recovery Adjustment Factors based on the  
4 Company's recent rate proceeding?

5 A. Yes. Commission Order No. PSC-08-0436-PAA-GU, issued July 8, 2008,  
6 approved a restructuring of the Company's rate classifications.  
7 Historically, the Company's tariff applied factors to residential,  
8 commercial and large commercial customer classes. The Company's  
9 new tariff includes the following sales service rate schedules:  
10 RS-1, RS-2, RS-3, GS-1, GS-2, GS-3, GS-4, GS-5 and the following  
11 transportation service rate schedules: FTS-1, FTS-2, FTS-3, FTS-4,  
12 and FTS-5. In this proceeding, the Company has proposed energy  
13 conservation factors for 2009 applicable to each respective class  
14 in its recently approved tariff. The schedules filed will display  
15 therms and conservation revenues only for those classes with  
16 existing customers.

17 Q. What Conservation Adjustment Factor does St. Joe Natural Gas  
18 seek approval through its petition for the twelve month period  
19 ending December 31, 2009?

20 A. \$.23379 per therm for RS-1, \$.11902 per therm for RS-2, and  
21 \$.08797 per therm for RS-3, \$0.8792 per therm for GS-1, \$0.04075  
22 per therm for GS-2, \$0.01566 per therm for FTS-4, and \$0.00380  
23 per therm for FTS-5.

24 Q. Does this conclude your testimony?

25 A. Yes.

1           **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **In Re: Conservation Cost Recovery True-Up**

3                   **Direct Testimony of Jerry H. Melendy, Jr.**

4                           **On Behalf of**

5                           **Sebring Gas System, Inc.**

6                           **Docket No. 080004-GU**

7

8   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9   A.   My name is Jerry H. Melendy, Jr. My business address is Sebring Gas  
10       System, Inc., US Highway 27 South, Sebring, FL 33870.

11 **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12 A.   I am Vice President of Sebring Gas Company, Inc. (the "Company").

13 **Q.   ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**  
14 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS**  
15 **THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

16 A.   Yes.

17 **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
18 **DOCKET?**

19 A.   The purpose of my testimony is to submit the recoverable energy  
20       conservation program expenses incurred during the period January  
21       2007 through December 2007, and to identify the final true-up amount  
22       for that period.

1 **Q. IS THIS THE COMPANY'S FIRST PARTICIPATION IN THE**  
2 **COMMISSION'S ANNUAL ENERGY CONSERVATION TRUE-UP**  
3 **PROCEEDING?**

4 A. Yes. The Company received authorization from the Commission in  
5 Order No. PSC-07-0693-TRF-EG, issued August 24, 2007, to offer  
6 energy conservation programs to its customers. The expenses  
7 included in this true-up filing are for the initial development of the  
8 programs, and the administrative and allowance expenses and  
9 revenues associated with program implementation subsequent to  
10 Commission approval. Given that the Company's programs were  
11 initiated in late-2007, there is no beginning true-up amount from a prior  
12 annual period.

13 **Q. DID THE COMPANY PARTICIPATE IN THE COST RECOVERY**  
14 **FACTOR PROCEEDING IN DOCKET 070004?**

15 A. Yes. On September 14, 2007, the Company filed a petition and  
16 testimony in Docket 070004-GU requesting that the Company's initial  
17 cost recovery factors approved by the Commission on August 24, 2007  
18 be continued through 2008. The Commission authorized the Company  
19 to continue the application of its existing cost recovery factors through  
20 2008 in Order No. PSC-07-0935-FOF-GU issued on November 26,  
21 2007. No projected revenues or expenses from the 070004 Docket  
22 have been included in this filing. The Company's true-up amount  
23 reflects actual expenses and actual revenues in 2007.

1 **Q HAVE YOU PREPARED SUMMARIES OF THE COMPANY'S**  
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**  
3 **WITH THEM?**

4 A. Yes. Summaries of the four (4) approved programs for which the  
5 Company incurred recoverable costs during the period January 2007  
6 through December 2007 are included in Schedule CT-6 of Exhibit  
7 JHM-1. The programs are: the Residential New Construction Program,  
8 the Residential Appliance Replacement Program, the Residential  
9 Appliance Retention Program, and the Conservation Education  
10 Program.

11 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**  
12 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**  
13 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

14 A. Yes. I have prepared and filed with this testimony Exhibit JHM-1  
15 consisting of Schedules CT-1, CT-2 and CT-3.

16 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY IN**  
17 **CONNECTION WITH THE FOUR (4) PROGRAMS DURING THE**  
18 **TWELVE MONTHS ENDING DECEMBER 2007?**

19 A. As shown in Exhibit JHM-1, Schedule CT-2, page 2, total program  
20 costs were \$12,344 (all of the expense incurred in 2007 is attributable  
21 to the initial program development and filing).

22 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**  
23 **MONTHS ENDED DECEMBER 2007?**

1 A. An under recovery of \$2,456.

2 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

3 A. Yes, it does.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **In Re: Energy Conservation Cost Recovery Factors**

3                   **Direct Testimony of Jerry H. Melendy, Jr.**

4                   **On Behalf of**

5                   **Sebring Gas System, Inc.**

6                   **Docket No. 080004-GU**

7                   **September 2008**

8

9       **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10     A.     My name is Jerry H. Melendy, Jr. My business address is Sebring Gas  
11             System, Inc., US Highway 27 South, Sebring, FL 33870.

12     **Q.     BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13     A.     I am Vice President of Sebring Gas System, Inc. (the "Company").

14     **Q.     ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**  
15             **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS THAT**  
16             **ARE ASSOCIATED WITH THESE PROGRAMS?**

17     A.     Yes.

18     **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

19     A.     To submit the conservation cost recovery true-up for the final true-up period  
20             January 1, 2007 through December 31, 2007, and for the actual and  
21             estimated period of January 1, 2008 through December 31, 2008. As part of  
22             my submittal, I will present actual and projected expenditures and  
23             conservation revenues related to promoting and administering the

1 Company's energy conservation programs. I will indicate the total costs the  
2 Company seeks to recover through its conservation factors during the period  
3 January 1, 2009 through December 31, 2009. Finally, I will also propose the  
4 energy conservation cost recovery factors which, when applied to consumer  
5 bills during the period January 1, 2009 through December 31, 2009, will  
6 permit recovery of the Company's total conservation costs.

7 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**  
8 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**  
9 **THESE PROGRAMS?**

10 A. Yes. Summaries of the Company's four approved programs are included in  
11 Schedule C-5 of Exhibit JHM-1. Included are the Residential New  
12 Construction Program, the Residential Appliance Replacement Program, the  
13 Residential Appliance Retention Program and the Conservation Education  
14 Program.

15 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE PERIOD**  
16 **JANUARY 1, 2008 THROUGH DECEMBER 31, 2008?**

17 A. The Company is under-recovered by \$10,238. This amount is calculated on  
18 page 4 of Schedule C-3 and accounts for the final audited true-up for the  
19 year January 1, 2007 through December 31, 2007, which is an under-  
20 recovery of \$382, including interest.

21 **Q. WHAT IS THE TOTAL COST SEBRING SEEKS TO RECOVER DURING**  
22 **THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009?**

1 A. As indicated on Schedule C-1, the Company seeks to recover \$8,837 during  
2 the referenced period. This amount represents the projected costs of  
3 \$19,075 to be incurred during 2009, plus the estimated true-up of (\$10,238)  
4 for calendar year 2008.

5 **Q. WHAT ARE THE ENERGY CONSERVATION FACTORS FOR EACH**  
6 **APPLICABLE RATE CLASS NEEDED TO RECOVER THE COMPANY'S**  
7 **COSTS?**

8 A. TS-1 \$0.03076

9 TS-2 \$0.01817

10 TS-3 \$0.01118

11 TS-4 \$0.00913

12 **Q. HAS THE COMPANY PREPARED A SCHEDULE TO SUPPORT ITS**  
13 **REQUESTED ENERGY CONSERVATION COST RECOVERY FACTORS?**

14 A. Yes. Schedules C-1 through C-3 and Schedule C-5 are submitted with my  
15 testimony as Exhibit No. JHM-1

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes.

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## DIRECT TESTIMONY OF KATHY L. WELCH

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**Q. Please state your name and business address.**

A. My name is Kathy L. Welch and my business address is 3625 N.W. 82nd Ave., Suite 400, Miami, Florida, 33166.

**Q. By whom are you presently employed and in what capacity?**

A. I am employed by the Florida Public Service Commission as a Public Utilities Supervisor in the Division of Regulatory Compliance.

**Q. How long have you been employed by the Commission?**

A. I have been employed by the Florida Public Service Commission since June, 1979.

**Q. Briefly review your educational and professional background.**

A. I have a Bachelor of Business Administration degree with a major in accounting from Florida Atlantic University and a Masters of Adult Education and Human Resource Development from Florida International University. I have a Certified Public Manager certificate from Florida State University. I am also a Certified Public Accountant licensed in the State of Florida, and I am a member of the American and Florida Institutes of Certified Public Accountants. I was hired as a Public Utilities Analyst I by the Florida Public Service Commission in June of 1979. I was promoted to Public Utilities Supervisor on June 1, 2001.

**Q. Please describe your current responsibilities.**

A. Currently, I am a Public Utilities Supervisor with the responsibilities of administering the District Office and reviewing work load and allocating resources to

1 complete field work and issue audit reports when due. I also supervise, plan, and conduct  
2 utility audits of manual and automated accounting systems for historical and forecasted  
3 financial statements and exhibits.

4  
5 **Q. Have you presented testimony before this Commission or any other**  
6 **regulatory agency?**

7 **A.** Yes. I have testified in several cases before the Florida Public Service  
8 Commission. Exhibit KLW-1 lists these cases.

9  
10 **Q. What is the purpose of your testimony today?**

11 **A.** The purpose of my testimony is to sponsor the staff audit report of Florida Public  
12 Utilities Company (FPUC or Utility) which addresses the Utility's filing in the natural gas  
13 conservation cost recovery clause docket. This audit report is filed with my testimony  
14 and is identified as Exhibit KLW-2.

15  
16 **Q. Was this audit prepared by you or under your direction?**

17 **A.** Yes, I was the audit manager in charge of this audit.

18  
19 **Q. Please describe the work you performed in this audit.**

20 **A.** We prepared a trial balance using the general ledger and reconciled all  
21 conservation accounts to the filing. We reconciled the beginning true-up provision to the  
22 last order and work papers and prepared a recalculation using the filing and Commission  
23 approved interest rates. We multiplied therms from the company's statistics report by the  
24 ordered rates and compared the result to the ledger and filing. We compared the  
25 differences to billing corrections and selected some bills and recalculated them to

1 determine that the tariff rates were used. We selected a sample of the vouchers recorded  
2 in the general ledger and traced them to source documentation. We verified that the  
3 incentives paid by voucher met the program guidelines. We reviewed the payroll file for  
4 new employees and obtained their job titles to determine if they were conservation  
5 employees.

6  
7 **Q. Please review the audit findings in the audit report.**

8 **A. Audit Finding No. 1**

9 Audit Finding No. 1 discusses a demonstration kitchen. We reviewed an invoice  
10 paid to Relwood Installation Corp, paid in September 2007 for \$6,250. The invoice was  
11 for a demonstration kitchen. The kitchen is in the front of the gas appliance showroom in  
12 the West Palm Beach office building and appears to be part of the appliance sales display.  
13 According to the company strategy brief:

14 [t]he Energy Star kitchen contributes to conservation by promoting efficient  
15 use of energy efficient appliances. The kitchen creates an educational  
16 environment to engage customers in exploring the various features of an  
17 appliance that make the appliance more energy and/or resource efficient. One  
18 of the major myths of energy efficiency is that energy efficient products  
19 sacrifice looks and performance to achieve efficiency. The high end look of  
20 the kitchen and appliances demonstrate that energy efficiency and style are  
21 not mutually exclusive.

22  
23 **Audit Finding No. 2**

24 Audit Finding No. 2 discusses a car wrap. FPUC paid \$6,549.75 to Signs for  
25 Tomorrow for a car wrap around two Chevy Trucks used in the electric divisions. The

1 wrap advertises the conservation programs. The invoice was charged 46% to gas and  
2 54% to electric divisions. The company agrees that the costs should be 100% electric.  
3 Therefore, expenses in the gas system should be decreased by \$3,012.89, with a related  
4 adjustment to interest of \$112, for a total increase to the over-recovery of \$3,125.

5  
6 **Audit Finding No. 3**

7 Audit Finding No. 3 discusses entertainment and spouse expenses. A company  
8 employee was reimbursed for expenses for a Builder Development Conference in Bonita  
9 Beach in May of 2007. The expense included entertainment costs of \$1,011.96 for  
10 employees and their spouses and a builder and his wife. These costs were charged to  
11 West Palm Beach Supervision expenses.

12 In June 2007, \$1,875 was paid to the SGA Builders and Developers Conference.  
13 This includes the conference registration for a developer, the spouse of an employee  
14 participant and the spouse of the developer. This cost also includes an Eco Tour for the  
15 both the employee and developer participants and their spouses.

16 According to the utility representative:

17 [s]pouses of the builders and developers are invited and are encouraged to  
18 participate in all meetings, social events and educational seminars. The  
19 thought process behind inviting the spouses is based on the theory that if you  
20 convince the spouse, they too will encourage the use of natural gas and will  
21 want to attend future events. It is vital that the industry reach out to and  
22 educate the decision makers that will impact future expansion of natural gas.  
23 To balance out the networking and social interaction, FPU and other  
24 participating companies invite their spouses as well to attend and to assist  
25 with the marketing of natural gas and the conservation programs under which

1 we provide incentives in the form of rebates and services.

2

3 **Audit Finding No. 4**

4 Audit Finding No. 4 discusses interest rates. FPUC did not use the correct Wall  
5 Street Journal Interest Rates. This error resulted in an understatement of the over-  
6 recovery of \$1,004. The true up account needs to be credited with the \$1,004 of interest.

7

8 **Q. Does that conclude your testimony?**

9 **A. Yes.**

10

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1 Q. Did Ms. Welch make any recommendations in the Staff  
2 Audit?

3 A. Yes, for Audit Findings 2 and 4, and I would point  
4 out that as to these two findings the response by  
5 FPUC states that we agree with the Audit Finding.  
6 However, she did not make a recommendation as to  
7 Audit Findings 1 and 3. As to Audit Findings 1 and  
8 3, the Report simply states that the ". . . finding  
9 is reported for information purposes." It is our  
10 position that the activities addressed in these two  
11 Findings are appropriate for recovery.

12 Q. Does this conclude your Rebuttal Testimony?

13 A. Yes.

1           **MS. FLEMING:** Since the parties are proposing  
2 stipulations on all issues, staff would suggest that the  
3 Commission could make a bench decision. And, therefore, would  
4 recommend that the proposed stipulations identified on Pages  
5 5 through 9, which are Issues 1 through 7, be approved by the  
6 Commission, noting that OPC has taken no position.

7           **CHAIRMAN CARTER:** Commissioners, we have here before  
8 us the records, the witnesses and testimony has been stipulated  
9 to, the exhibits have been stipulated to, the issues have been  
10 stipulated to. Staff has made a recommendation for a  
11 stipulation. Any questions or concerns?

12                   Commissioner Argenziano, you're recognized.

13           **COMMISSIONER ARGENZIANO:** Did I hear you say OPC has  
14 taken --

15           **MS. FLEMING:** And that was a misstatement. I'm  
16 sorry.

17                   OPC is not a party in this docket.

18           **COMMISSIONER ARGENZIANO:** Okay, thank you.

19           **CHAIRMAN CARTER:** With that, Commissioners, the staff  
20 has made a recommendation that we adopt the stipulation. Any  
21 questions or concerns? Hearing none. We're open for a motion.

22                   Commissioner Edgar.

23           **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

24                   I would make the motion that as a Commission we adopt  
25 the stipulated issues in the 04 Gas Conservation Docket.



1                   **COMMISSIONER SKOP:** Second.

2                   **CHAIRMAN CARTER:** It has been moved and properly  
3 seconded.

4                   Commissioners, any concerns, questions, or debate?  
5 Hearing none. All those in favor, let it be known by the sign  
6 of aye.

7                   (Simultaneous aye.)

8                   **CHAIRMAN CARTER:** All those opposed, like sign. Show  
9 it done.

10                   One second, Commissioners, and we will switch to our  
11 next docket here.

12                                   \* \* \* \* \*

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STATE OF FLORIDA )

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CERTIFICATE OF REPORTER

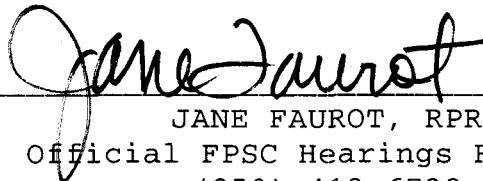
COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 14th day of November, 2008.



JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
(850) 413-6732

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
<i>Staff</i>				
1		Exhibit List - 1	Comprehensive Exhibit List	
2		Staff's Composite Exhibit - 2 stipulated	<p><b><u>Interrogatories</u></b></p> <p>1) Chesapeake's Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000001 - 00000010]</p> <p>2) Florida City Gas' Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000011 - 00000024]</p> <p>3) Florida Public Utilities Company's Response to Staff's First Set of Interrogatories (Nos. 1-12) [Bates Nos. 00000025 - 00000040]</p> <p>4) Peoples Gas System's Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000041 - 00000050]</p> <p>5) St. Joe Natural Gas Company, Inc.'s Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000051 - 00000056]</p>	

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004GU EXHIBIT 1

COMPANY FL PSC Staff

WITNESS Exhibit List - 1

DATE 11-04-08

<b>Comprehensive Exhibit List for Entry into Hearing Record</b>				
<b>Hearing I.D. #</b>	<b>Witness</b>	<b>I.D. # As Filed</b>	<b>Exhibit Description</b>	<b>Entered</b>
			<u><b>Request for Production of Documents</b></u>  6) Florida Public Utilities Company's Response to Staff's First Request for Production of Documents (Nos. 1-3) [Bates Nos. 00000057 – 00000182]	
<b><i>Florida Division of Chesapeake Utilities Corp. (Direct)</i></b>				
3	Matthew Dewey The prefiled exhibit of Matthew Dewey will be adopted by Thomas A. Geoffroy.	MD-1	True-up variance analysis [Schedules CT-1 - CT6]	
4	Thomas A. Geoffroy (Adopts Dewey)	TG-2	Projections Recovery Clause Calculation: Estimated ECCR charges by rate classification; [Schedules C-1 through C-4]	
<b><i>Florida City Gas (Direct)</i></b>				
5	Carolyn Bermudez	CB-1	Schedules CT-1, CT-2 and CT-3	
6	Carolyn Bermudez	CB-2	Schedules C-1, C-2, C-3 and C-5	
<b><i>Florida Public Utilities Company (Direct)</i></b>				
7	Marc S. Seagrave	MSS-1 (Direct Composite)	Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and C-6	
8	Marc S. Seagrave	MSS-2 (Direct Composite)	Schedules C-1, C-2, C-3, and C-5	

<b>Comprehensive Exhibit List for Entry into Hearing Record</b>				
<b>Hearing I.D. #</b>	<b>Witness</b>	<b>I.D. # As Filed</b>	<b>Exhibit Description</b>	<b>Entered</b>
<i>Indiantown Gas Company (Direct)</i>				
9	Melissa M. Powers	MMP-1	Schedules CT-1 through CT-6	
10	Melissa M. Powers	MMP-2	Schedules C-1 through C-3 and C-5	
<i>Peoples Gas System (Direct)</i>				
11	Kandi M. Floyd	KMF-1	Conservation cost recovery true-up data (January 2007 - December 2007) consisting of Schedules CT-1 through CT-6	
12	Kandi M. Floyd	KMF-2	Data for development of conservation cost recovery factors (January 1 - December 31, 2009), consisting of Schedules C-1 through C-5	
<i>St. Joe Natural Gas (Direct)</i>				
13	Debbie Stitt	DKS-1	Schedules CT-1, CT-2, CT-3, CT-4, and CT-5	
14	Debbie Stitt	DKS-2	Schedules C-1, C-2, C-3, and C-4	
<i>Sebring Gas Company (Direct)</i>				
15	Jerry H. Melendy, Jr.	JHM-1	Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and CT-6	
16	Jerry H. Melendy, Jr.	JHM-2	Schedules C-1, C-2, C-3, and C-5	

<b>Comprehensive Exhibit List for Entry into Hearing Record</b>				
<b>Hearing I.D. #</b>	<b>Witness</b>	<b>I.D. # As Filed</b>	<b>Exhibit Description</b>	<b>Entered</b>
<i>Staff (Direct)</i>				
17	Kathy L. Welch	KLW-1	History of Testimony Provided by Kathy L. Welch	
18	Kathy L. Welch	KLW-2	Audit Report	
<i>Florida Public Utilities Company (Rebuttal)</i>				
19	Marc S. Seagrave	MSS-3	FPSC Staff Audit Findings	

<b>HEARING EXHIBITS</b>				
<b>Exhibit Number</b>	<b>Witness</b>	<b>Party</b>	<b>Description</b>	<b>Moved In/Due Date of Late Filed</b>
20				
21				
22				
23				

<b>HEARING EXHIBITS</b>				
<b>Exhibit Number</b>	<b>Witness</b>	<b>Party</b>	<b>Description</b>	<b>Moved In/Due Date of Late Filed</b>
24				
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EXHIBIT NO. \_\_\_\_\_

DOCKET NO: 080004-GU

WITNESS: VARIOUS

PARTY: NATURAL GAS CONSERVATION COST RECOVERY

DESCRIPTION: STAFF'S STIPULATED COMPOSITE EXHIBIT - 2

DOCUMENTS:

**Interrogatories**

- 1) Chesapeake's Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000001 – 00000010]
- 2) Florida City Gas' Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000011 – 00000024]
- 3) Florida Public Utilities Company's Response to Staff's First Set of Interrogatories (Nos. 1-12) [Bates Nos. 00000025 – 00000040]
- 4) Peoples Gas System's Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000041 – 00000050]
- 5) St. Joe Natural Gas Company, Inc.'s Response to Staff's First Set of Interrogatories (Nos. 1-6) [Bates Nos. 00000051 – 00000056]

**Request for Production of Documents**

- 6) Florida Public Utilities Company's Response to Staff's First Request for Production of Documents (Nos. 1-3) [Bates Nos. 00000057 – 00000182]

PROFFERED BY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION  
 DOCKET NO. 080004-GU EXHIBIT 2  
 COMPANY FL PSC Staff  
 WITNESS Staff's Composite Exhibit - 2  
 DATE 11-04-08 stipulated



**1**

**Chesapeake's Response to  
Staff's First Set of Interrogatories  
(Nos. 1-6)**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas )  
Conservation Cost Recovery )  
 )  
 )  
\_\_\_\_\_ )

Docket No. 080004-GU

Filed: September 30, 2008

**NOTICE OF SERVICE OF ANSWERS TO STAFF'S FIRST SET OF  
INTERROGATORIES TO FLORIDA DIVISION OF CHESAPEAKE UTILITIES  
CORPORATION (NOS. 1 – 6)**

Florida Division of Chesapeake Utilities Corporation, by its undersigned attorneys, files this its Notice of Service of Answers to Staff's First Set of Interrogatories to Florida Division of Chesapeake Utilities Corporation (Nos. 1-6).

Dated this 30<sup>th</sup> day of September, 2008.



Beth Keating  
Akerman Senterfitt  
Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 521-8002

Attorneys for Florida Division of  
Chesapeake Utilities Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 30<sup>th</sup> day of September, 2008:

Marc S. Seagrave  
Florida Public Utilities Company  
Post Office Box 3395  
West Palm Beach, FL 33402-3395

Norman Horton, Jr.  
Messer Law Firm  
Post Office Box 15579  
Tallahassee, FL 32317

Charles A. Rawson, III  
Florida City Gas  
955 East Street  
Hialeah, FL 33013-3498

Macfarlane Ferguson Law Firm  
Ansley Watson, Jr.  
Post Office Box 1531  
Tampa, FL 33601-1531

AGL Resources Inc.  
Elizabeth Wade/Melvin Williams  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Thomas A. Geoffroy  
Florida Division of Chesapeake Utilities  
Corp.  
Post Office Box 960  
Winter Haven, FL 33882-0960

Matthew R. Costa/Brenda Irizarry  
Regulatory Affairs  
People Gas System  
Post Office Box 111  
Tampa, FL 33601-0111

Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
Post Office Box 549  
Port St. Joe, FL 32457-0549

Katherine Fleming  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399



Beth Keating  
Akerman Senterfitt  
Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 521-8002

Attorneys for Florida Division of  
Chesapeake Utilities Corporation

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas )  
Conservation Cost Recovery )  
 )  
 )  
\_\_\_\_\_ )

Docket No. 080004-GU

Served: September 30, 2008

**ANSWERS TO STAFF'S  
FIRST SET OF INTERROGATORIES  
TO FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION(Nos. 1-6)**

**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 1  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

1. Please explain or describe whether Chesapeake participated in the Southern Gas Association (SGA) Builders and Developers Conference in 2007.
  - A. Chesapeake did not participate in the SGA Builders and Developers Conference in 2007.

(T. Geoffroy)

**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 2  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

2. Please refer to Exhibit MD-1, page 2 of 17, attached to the direct testimony of Matthew Dewey, filed on May 1, 2008. Please provide the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2.
  - A. Chesapeake did not include any expense associated with the SGA Builders and Developers Conference for recovery through the Natural Gas Conservation Cost Recovery filing.

(T. Geoffroy)

**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 3  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

**3.** Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.

**A.** Not applicable.

(T. Geoffroy)

**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 4  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

**4.** Please explain or describe how Chesapeake allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

**A.** Not applicable.

(T. Geoffroy)



**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 5  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

- 5.** Please explain or describe whether Chesapeake plans to participate in the SGA Builders and Developers Conference in 2009.
- A.** Chesapeake does not anticipate participating in the SGA Builders and Developers Conference in 2009.

(T. Geoffroy)

**FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
DOCKET NO. 080004-GU  
STAFF'S FIRST SET OF INTERROGATORIES  
INTERROGATORY NO. 6  
PAGE 1 of 1  
SERVED: SEPTEMBER 30, 2008**

**6.** If the answer to Interrogatory No. 5 is yes, please identify the dollar amount for the SGA Builders and Developers Conference that Chesapeake will include for recovery in 2009.

**A.** Not applicable.

(T. Geoffroy)

**Florida City Gas' Response to  
Staff's First Set of Interrogatories  
(Nos. 1-6)**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery. | DOCKET NO. 080004-GU

DATED: SEPTEMBER 30, 2008

**NOTICE AND CERTIFICATE OF SERVICE**  
**OF FLORIDA CITY GAS' RESPONSES TO STAFF'S FIRST SET OF**  
**INTERROGATORIES (Nos. 1-6) and ~~FIRST REQUEST FOR PRODUCTION OF~~**  
**~~DOCUMENTS (No. 1) TO FLORIDA CITY GAS~~**

Florida City Gas ("City Gas" or "the Company"), by and through its undersigned attorneys, hereby provides Notice of Service of its Responses to Staff's First Set of Interrogatories (Nos. 1-6) and First Request for Production of Documents (No. 1) to Florida City Gas.

Respectfully submitted this 30<sup>th</sup> day of September, 2008.

By: 

Beth Keating  
Akerman/Senterfitt, Attorneys at Law  
106 East College Ave., Suite 1200  
Tallahassee, FL 32301  
(850) 521-8002  
(850) 222-0103  
beth.keating@akerman.com

*Attorneys for Florida City Gas*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery. | DOCKET NO. 080004-GU

DATED: SEPTEMBER 30, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of FLORIDA CITY GAS' NOTICE OF SERVICE OF RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1 – 6) AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO FLORIDA CITY GAS (NO. 1) has been served by electronic and U. S. mail to Katherine E. Fleming, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, and that a true copy thereof has been furnished to the following by electronic and U. S. mail this 30th day of September, 2008:

Marc S. Seagrave  
Florida Public Utilities Company  
P.O. Box 3395  
West Palm Beach, Florida, 33402-3395

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
Post Office Box 15579  
Tallahassee, Florida 32317

Charles A. Costin  
Costin and Costin, P.A.  
Post Office Box 98  
Port Saint Joe, FL 32457-0098

Jay Sutton  
Florida City Gas  
4180 South U.S. Highway 1  
Rockledge, FL 32955-5309

Thomas A. Geoffroy  
Florida Division of Chesapeake Utilities  
Corporation  
P. O. Box 960  
Winter Haven, FL 33882-0960

Robert Scheffel Wright  
Young van Assenderp  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Brian J. Powers, General Manager  
Indiantown Gas Company  
P. O. Box 8  
Indiantown, FL 34956-0008

Ansley Watson, Jr.  
MacFarlane, Ferguson & McMullen  
P.O. Box 1531  
Tampa, FL 33601-1531


Elizabeth Wade & Melvin Williams  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870

Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549

Matthew R. Costa  
TECO Energy, Inc.  
P. O. Box 111  
Tampa, FL 33601-0111

  
Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 224-9634

*Attorneys for Florida City Gas*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 080004-GU

DATED: SEPTEMBER 30, 2008

FLORIDA CITY GAS' RESPONSES TO  
STAFF'S FIRST SET OF INTERROGATORIES TO  
FLORIDA CITY GAS (NOS. 1 - 6)

DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 1

1. Please explain or describe whether FCG participated in the Southern Gas Association (SGA) Builders and Developers Conference in 2007.

Response: Yes, FCG participated in the Southern Gas Association Builders and Developers Conference in May 2007.



DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 2

2. Please refer to Exhibit CB-1, page 3 of 10, attached to the direct testimony of Carolyn Bermudez, filed on May 1, 2008. Please provide the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2.

Response: FCG did not include any expense for the SGA Builders and Developers Conference for recovery in any of the categories and programs shown on Schedule CT-2 of Exhibit CG-1, page 3 of 10.

DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 3

3. Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.

Response: Not Applicable. See response to Interrogatory Number 2.

DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 4

4. Please explain or describe how FCG allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

Response: Not Applicable. See response to Interrogatory Number 2.

DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 5

5. Please explain or describe whether FCG plans to participate in the SGA Builders and Developers Conference in 2009.

Response: At this time, FCG does not have definite plans to participate in the SGA Builders and Developers Conference in 2009.

DOCKET NO. 080004-GU  
FLORIDA CITY GAS  
RESPONSE TO STAFF'S FIRST  
SET OF INTERROGATORIES  
INTERROGATORY 6

6. If the answer to Interrogatory No. 5 is yes, please identify the dollar amount for the SGA Builders and Developers Conference that FCG will include for recovery in 2009.

Response: Not Applicable.

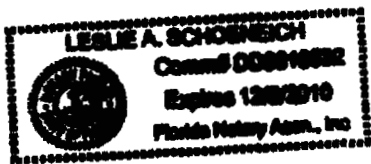
**AFFIDAVIT**

STATE OF FLORIDA)

COUNTY OF Broward)

I hereby certify that on this 27th day of September, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Carolyn Bermudez, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1-6 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 1 - 6) in Docket No. 080004-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 27th day of September 2008.



Leslie A. Schoenisch  
Notary Public  
State of Florida, at Large

My Commission Expires:  
12/2/10

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 080004-GU

DATED: SEPTEMBER 30, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of FLORIDA CITY GAS'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 1 - 6) has been served by electronic and U. S. mail to Katherine Fleming, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, and that a true copy thereof has been furnished to the following by electronic and U. S. mail this 30th day of September, 2008:

Marc S. Seagrave  
Florida Public Utilities Company  
P.O. Box 3395  
West Palm Beach, Florida, 33402-3395

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317

Charles A. Costin  
Costin and Costin, P.A.  
Post Office Box 98  
Port Saint Joe, FL 32457-0098

Jay Sutton  
Florida City Gas  
4180 South U.S. Highway 1  
Rockledge, FL 32955-5309

Thomas A. Geoffroy  
Florida Division of Chesapeake Utilities Corporation  
P. O. Box 960  
Winter Haven, FL 33882-0960

Robert Scheffel Wright  
Young van Assenderp  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Brian J. Powers, General Manager  
Indiantown Gas Company  
P. O. Box 8  
Indiantown, FL 34956-0008

Ansley Watson, Jr.  
MacFarlane, Ferguson & McMullen  
P.O. Box 1531  
Tampa, FL 33601-1531

Docket No. 080004-GU

Elizabeth Wade & Melvin Williams  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870

Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549

Matthew R. Costa  
TECO Energy, Inc.  
P. O. Box 111  
Tampa, FL 33601-0111



---

Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 224-9634

*Attorneys for Florida City Gas*



**Florida Public Utilities Company's  
Response to Staff's  
First Set of Interrogatories  
(Nos. 1-12)**

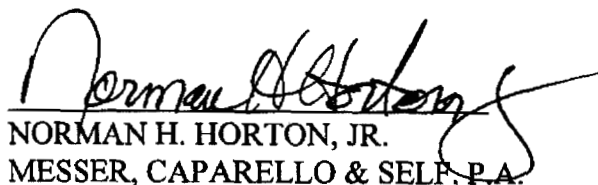
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation )  
Cost Recovery Clause. )  
\_\_\_\_\_ )

Docket No. 080004-GU  
Date Filed: October 6, 2008

**FLORIDA PUBLIC UTILITIES COMPANY'S  
NOTICE OF SERVING RESPONSES TO FPSC STAFF'S  
FIRST SET OF INTERROGATORIES (NOS. 1-12)**

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Set of Interrogatories (Nos. 1-12) by e-mail on Katherine E. Fleming, Esq. at [keflemin@psc.state.fl.us](mailto:keflemin@psc.state.fl.us) and by U. S. Mail at Katherine E. Fleming, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 on this 6<sup>th</sup> day of October, 2008.



NORMAN H. HORTON, JR.  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317  
Telephone: (850) 222-0720  
Direct Facsimile: (850) 558-0656

Attorneys for Florida Public Utilities Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Electronic Mail (\*) and/or U. S. Mail this 6<sup>th</sup> day of October, 2008 upon the following:

Katherine Fleming, Esq.\*  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Matthew R. Costa, Esq.  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Beth Keating, Esq.  
Akerman Senterfitt  
106 E. College Avenue, Suite 1200  
Tallahassee, FL 32301

Elizabeth Wade, Esq.  
Mr. Melvin Williams  
AGL Resources, Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Mr. Charles Rawson  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

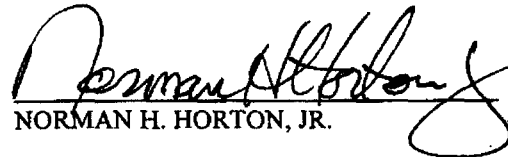
Charles A. Costin, P.A.  
Costin and Costin  
Post Office Box 98  
Port St. Joe, FL 32457-0098

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33610-1531

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27, South  
Sebring, FL 33870-5452

Mr. Brian Powers  
President  
Indiantown Gas Company, Inc.  
Post Office Box 8  
Indiantown, FL 34956-0008

Robert Scheffel Wright, Esq.  
Young van Assenderp  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

  
NORMAN H. HORTON, JR.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation )  
Cost Recovery Clause. )  
\_\_\_\_\_ )

Docket No. 080004-GU

**FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES  
TO FPSC STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-12)**

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's First Set of Interrogatories (Nos. 1-12) states as follows:

1. Please provide the total actual or estimated expenses for the Southern Gas Association (SGA) Builders and Developers Conference in 2007, 2008, and 2009.

**FPUC's RESPONSE:** See attached.

2. Please refer to Exhibit MSS-1, attached to the direct testimony of Marc S. Seagrave, filed on May 1, 2008. Please identify or describe the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2, page 3 of 18.

**FPUC's RESPONSE:** See attached.

3. Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.

**FPUC's RESPONSE:** See attached.

4. Please explain or describe the direct benefits to any approved conservation program by the activities identified in Audit Finding No. 3.

**FPUC's RESPONSE:** See attached.

5. Please explain or describe how FPUC allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

**FPUC's RESPONSE:** See attached.

6. Please identify the dollar amount for the SGA Builders and Developers Conference that FPUC will include for recovery in 2008 and 2009.

**FPUC's RESPONSE:** See attached.

7. Please refer to Exhibit MSS-1, attached to the direct testimony of Marc S. Seagrave, filed on May 1, 2008. Please identify or describe the amount for the Demo Kitchen Project that FPUC included for recovery in each of the categories and programs shown on Schedule CT-2, page 3 of 18.

**FPUC's RESPONSE:** See attached.

8. Please identify or describe what payments, if any, FPUC received from appliance manufacturers for displaying their products in the Demo Kitchen.

**FPUC's RESPONSE:** See attached.

9. Please explain or describe whether FPUC considered placing the Demo Kitchen Project in an appliance store with higher traffic volume than the company's.

**FPUC's RESPONSE:** See attached.

10. Please explain or describe whether the Demo Kitchen included gas appliances which were identical to the gas appliances in FPUC's gas appliance sales display.

**FPUC's RESPONSE:** See attached.

11. In 2007, did FPUC employees direct or encourage individual customers viewing the Demo Kitchen to view FPUC's gas appliance sales display?

**FPUC's RESPONSE:** See attached.

12. If the response to Interrogatory No. 11 is yes, please explain or describe the sales technique used to direct individuals viewing the Demo Kitchen to its gas appliance sales display.

**FPUC's RESPONSE:** See attached.



NORMAN H. HORTON, JR.  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317  
Telephone: (850) 222-0720  
Direct Facsimile: (850) 558-0656

Attorneys for Florida Public Utilities Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 080004-GU

DATED: SEPTEMBER 5, 2008

STAFF'S FIRST SET OF INTERROGATORIES TO  
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 12)

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, propounds the following interrogatories, pursuant to Rule 1.340, Florida Rules of Civil Procedure, to Florida Public Utilities Company (FPUC). These interrogatories shall be answered under oath by you or your agent, who is qualified and who will be identified, with the answers being served as provided by the Rules of Civil Procedure, **and within the time periods set out in Order Nos. PSC-08-0170-PCO-GU and PSC-08-0363-PCO-GU.** As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it.

Give the name, address, and relationship to FPUC of those persons providing the answers to each of the following interrogatories.

If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to the Commission through a Commission audit, please so state, indicating the date provided and the audit document/record request number.

DEFINITIONS

"You", "your", "Company" or FPUC refers to Florida Public Utilities Company, its employees and authorized agents.

"Document" refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

"Identify" means:

- (a) With respect to a person, to state the person's name, address and business relationship (e.g., "employee") to the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.



INTERROGATORIES

1. Please provide the total actual or estimated expenses for the Southern Gas Association (SGA) Builders and Developers Conference in 2007, 2008, and 2009.

**The actual expense for the SGA Builders and Developers Conference were \$2,050 in 2007. Since the conference is biannual, no expenses will be incurred in 2008. Lastly, we estimate expenses to be \$2,000 for the SGA Conference on 2009.**

2. Please refer to Exhibit MSS-1, attached to the direct testimony of Marc S. Seagrave, filed on May 1, 2008. Please identify or describe the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2, page 3 of 18.

**Per Exhibit MSS-1, The Builder and Developer Conference is an industry sponsored bi-annual event to promote the expanded use of natural gas and educate participants as to homebuyer trends relative to natural gas energy use. Builders and Developers from around the country meet, network with each other and the various natural gas utility representatives and learn how the use of natural gas not only benefits their prospects but also benefits their future home buyers.**

3. Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.

**All activities during this conference are designed to facilitate the education of natural gas to builders and developers in an effort to influence them into taking advantage of FPU's Energy Conservation rebate programs.**

**In an effort to encourage builders and developers to take advantage of FPU's Energy Conservation New Construction rebate programs, FPU feels it prudent to utilize events such as the SGA Builders and Developers Conference as an opportunity to educate builders and developers about the environmental, economic, and energy efficiency of natural gas.**

4. Please explain or describe the direct benefits to any approved conservation program by the activities identified in Audit Finding No. 3.

**The benefits from attending the SGA Builders and Developers Conference directly impact FPU's approved Energy Conservation New Construction Rebate Program as well as FPU's Energy For Life Home Construction Program (formally branded as GoodCents Home Construction). The conference serves as a platform to educate builders and developers about all 5 of FPU's New Construction rebates (water heater, tankless w/h, range, dryer, and furnace) and also communicates how a home built to *Energy For Life* Standards delivers value to potential home buyers by reducing yearly energy operating costs**

5. Please explain or describe how FPUC allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

**FPUC allocates indirect expenses from ECCR cost recovery by entering a credit to the appropriate conservation general ledger (GL) account number and debiting the appropriate non-conservation GL account number through the journal entry process.**

6. Please identify the dollar amount for the SGA Builders and Developers Conference that FPUC will include for recovery in 2008 and 2009.

**The SGA Builders and Developers Conference is a biannual event that will not take place in 2008. In 2009, expenses are estimated to be \$2,000.**

7. Please refer to Exhibit MSS-1, attached to the direct testimony of Marc S. Seagrave, filed on May 1, 2008. Please identify or describe the amount for the Demo Kitchen Project that FPUC included for recovery in each of the categories and programs shown on Schedule CT-2, page 3 of 18.

**The item referred to as the "Demo Kitchen", is more accurately called the Energy Star Demonstration Kitchen. By building this kitchen FPU creates an educational environment to engage customers in exploring the various features of an appliance that is more energy and resource efficient. One major myth of energy efficiency is that energy efficient products sacrifice looks and performance to achieve efficiency. The high-end look of the kitchen and appliances demonstrate that energy efficiency and style are not mutually exclusive.**

**Creating the Energy Star Demonstration Kitchen was the first action taken by FPU to highlight our partnership with the DOE/EPA funded Energy Star Program as well as our first step in directly promoting Energy Star appliances.**

8. Please identify or describe what payments, if any, FPUC received from appliance manufacturers for displaying their products in the Demo Kitchen.

**As of September 12<sup>th</sup>, 2008, FPU has NOT received any payments from any appliance manufacturer for displaying products in the Energy Star Demonstration Kitchen, nor will FPU accept any payments for product placement in the EnergyStar Demonstration Kitchen.**

9. Please explain or describe whether FPUC considered placing the Demo Kitchen Project in an appliance store with higher traffic volume than the company's.

**FPU did consider placing the Energy Star Demonstration Kitchen in an appliance store with higher traffic volume, but decided against it for multiple reasons. First off, the kitchen was designed to educate FPU's customers about the benefits of saving energy, which is the major priority of FPU's Energy Conservation department. Since big box/high volume appliance retailers lack the experience and education to professionally represent the facts pertaining to energy conservation and are primarily motivated by sales, we feel that promoting Energy Star via the Demonstration Kitchen is a function that would be more effective and successful by the energy supplier.**

**Secondly, FPU has approx 40,000 customers in South Florida, which is the division that the Energy Star Demonstration Kitchen was built. Currently, 4.9 million people live in South Florida, which means that .006% of the South Florida population is a customer of FPU. Since our appliance rebate programs are only applicable to existing FPU customers, it is reasonable to assume that we would focus the majority of our educational and advertising efforts at locations we anticipate our customers to enter. If we consider that there is a .006% chance that a customer who enters a big box retailer will be a FPU customer, and compare that to the fact that roughly 95% of customers who enter FPU's showroom are FPU customers, it clearly makes more sense to have placed the Energy Star Demonstration Kitchen in the FPU showroom.**

10. Please explain or describe whether the Demo Kitchen included gas appliances which were identical to the gas appliances in FPUC's gas appliance sales display.

**The gas appliances featured in the Energy Star Kitchen were not the same as the appliances on the show room floor. FPU installed the appliances with the highest energy factors and energy ratings. FPU also choose gas appliances with energy efficient features**

such as electronic ignition, convection capabilities and digital controls. The kitchen also included a dishwasher, microwave, and refrigerator which FPU has not traditionally sold.

11. In 2007, did FPUC employees direct or encourage individual customers viewing the Demo Kitchen to view FPUC's gas appliance sales display?

Although FPU does not have a policy that encourages customers who view the Energy Star Demonstration Kitchen to then view the sales floor, both are located in the same vicinity. Consequently, it is reasonable to assume that those who view the Energy Star Kitchen will naturally view the sales floor. FPU does have a policy however to inform customers that they may receive conservation rebates for qualified gas appliances regardless of where they are purchased.

12. If the response to Interrogatory No. 11 is yes, please explain or describe the sales technique used to direct individuals viewing the Demo Kitchen to its gas appliance sales display.

STAFF'S FIRST SET OF INTERROGATORIES TO  
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 12)  
DOCKET NO. 080004-GU  
PAGE 9

As stated in interrogatory 11, FPU does not have a specific technique to direct individuals who are viewing the Energy Star Kitchen to the sales floor.

---

KATHERINE E. FLEMING  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6218

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Electronic Mail (\*) and/or U. S. Mail this 6<sup>th</sup> day of October, 2008 upon the following:

Katherine Fleming, Esq.\*  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Matthew R. Costa, Esq.  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Beth Keating, Esq.  
Akerman Senterfitt  
106 E. College Avenue, Suite 1200  
Tallahassee, FL 32301

Elizabeth Wade, Esq.  
Mr. Melvin Williams  
AGL Resources, Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Mr. Charles Rawson  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

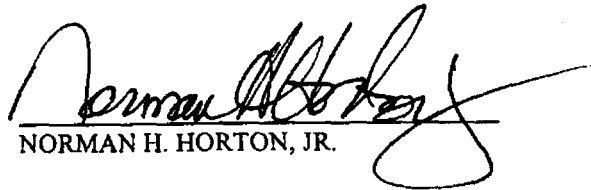
Charles A. Costin, P.A.  
Costin and Costin  
Post Office Box 98  
Port St. Joe, FL 32457-0098

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33610-1531

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27, South  
Sebring, FL 33870-5452

Mr. Brian Powers  
President  
Indiantown Gas Company, Inc.  
Post Office Box 8  
Indiantown, FL 34956-0008

Robert Scheffel Wright, Esq.  
Young van Assenderp  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

  
NORMAN H. HORTON, JR.



**4**

**Peoples Gas System's Response to  
Staff's First Set of Interrogatories  
(Nos. 1-6)**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural gas conservation cost recovery. :  
: :  
: :  
\_\_\_\_\_ :

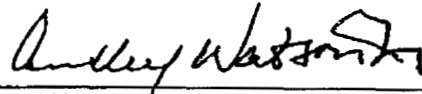
Docket No. 080004-GU

Submitted for Filing:  
9-23-08

**NOTICE OF SERVICE OF ANSWERS TO STAFF'S FIRST  
SET OF INTERROGATORIES TO PEOPLES GAS SYSTEM (Nos. 1-6)**

Peoples Gas System, by its undersigned attorneys, files this its Notice of Service of Answers to the Staff's First Set of Interrogatories to Peoples Gas System (Nos. 1-6).

Dated this 23rd day of September, 2008.



\_\_\_\_\_  
Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531  
(813) 273-4321

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Notice, and the original and one copy of Peoples' Answers to Staff's First Set of Interrogatories to Peoples Gas System (Nos. 1-6) have been furnished electronically and by regular mail to Katherine E. Fleming, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and that copies of this Notice and Peoples' Answers have been furnished by regular mail to the following, this 23rd day of September, 2008:

Mr. Jay Sutton  
Florida City Gas  
4180 South U.S. Highway 1  
Rockledge, FL 32955-5309

Florida Public Utilities Company  
Mehrdad Khojasteh  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. Thomas A. Geoffroy  
Florida Division  
Chesapeake Utilities Corporation  
P. O. Box 960  
Winter Haven, FL 33882-0960

Norman H. Horton, Jr., Esquire  
Messer, Caparello & Self, P.A.  
P.O. Box 15579  
Tallahassee, FL 32317

Beth Keating, Esquire  
Akerman Senterfitt  
106 E. College Ave., Suite 1200  
Tallahassee, FL 32301

Charles A. Costin, Esquire  
Costin and Costin  
P. O. Box 98  
Port St. Joe, FL 32457-0098

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549

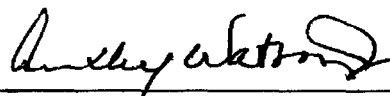
Mr. Brian J. Powers  
Indiantown Gas Company  
P. O. Box 8  
Indiantown, FL 34956-0008

Ms. Paula K. Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, FL 33601-0111

Robert Scheffel Wright, Esquire  
Young Van Assenderp P.A.  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870

Elizabeth Wade/Melvin Williams  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309



Ansley Watson, Jr.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural gas conservation cost recovery :

Docket No. 080004-GU

\_\_\_\_\_ :

Served:  
9-23-08

**ANSWERS TO STAFF'S  
FIRST SET OF INTERROGATORIES  
TO PEOPLES GAS SYSTEM (Nos. 1-6)**

**PEOPLES GAS SYSTEM  
DOCKET NO. 080004-GU  
STAFFS' FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 2  
PAGE 1 OF 1  
SERVED: SEPTEMBER 23, 2008**

2. Please refer to Exhibit KMF-1, filed on May 1, 2008. Please provide the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2, page 2 of 3.
  - A. Peoples did not include any expense associated with the SGA Builders and Developers Conference for recovery though the Energy Conservation Cost Recovery Clause.

(K. Floyd)

**PEOPLES GAS SYSTEM  
DOCKET NO. 080004-GU  
STAFFS' FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 3  
PAGE 1 OF 1  
SERVED: SEPTEMBER 23, 2008**

3. Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.
  - A. Not applicable.  
(K. Floyd)

**PEOPLES GAS SYSTEM  
DOCKET NO. 080004-GU  
STAFFS' FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 4  
PAGE 1 OF 1  
SERVED: SEPTEMBER 23, 2008**

4. Please explain or describe how PGS allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

A. Not applicable.

(K. Floyd)

**PEOPLES GAS SYSTEM  
DOCKET NO. 080004-GU  
STAFFS' FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 5  
PAGE 1 OF 1  
SERVED: SEPTEMBER 23, 2008**

- 5.** Please explain or describe whether PGS plans to participate in the SGA Builders and Developers Conference in 2009.
- A.** Peoples does not anticipate participating in the SGA Builders and Developers Conference in 2009.

(K. Floyd)



**PEOPLES GAS SYSTEM  
DOCKET NO. 080004-GU  
STAFFS' FIRST SET OF  
INTERROGATORIES  
INTERROGATORY NO. 6  
PAGE 1 OF 1  
SERVED: SEPTEMBER 23, 2008**

**6.** If the answer to Interrogatory No. 5 is yes, please identify the dollar amount for the SGA Builders and Developers Conference that PGS will include for recovery in 2009.

**A.** Not applicable

(K. Floyd)

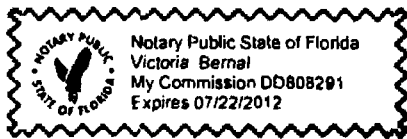
STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

Before me, the undersigned authority, personally appeared Kandi M. Floyd who, being first duly sworn, says that she is the Manager of State Regulatory of Peoples Gas System; that she is the person under whose supervision the foregoing Answers to Staff's First Set of Interrogatories to Peoples Gas System (Nos. 1-6) have been prepared; that said Answers, insofar as said Answers are within her knowledge, are true; and that insofar as they are derived from or dependent upon the knowledge of others, she believes them to be true.

  
KANDI M. FLOYD

Sworn to and subscribed before me this 23rd day of September, 2008.



  
Notary Public - State of Florida at Large

My Commission expires: 7/22/2012

**St. Joe Natural Gas Company Inc.'s  
Response to Staff's First Set of  
Interrogatories  
(Nos. 1-6)**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE:

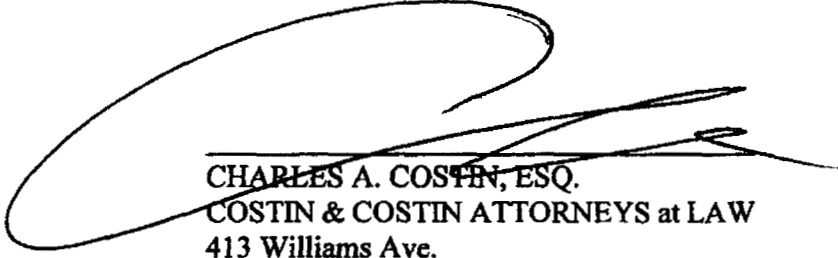
Natural gas conservation cost recovery

Docket No. 080004-GU

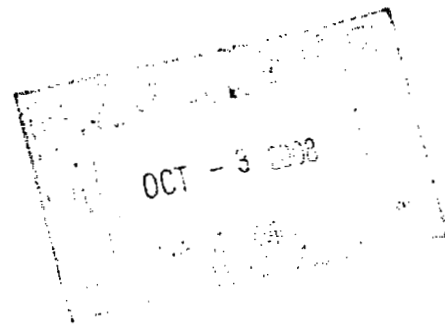
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**ST JOE NATURAL GAS COMPANY, INC.'S NOTICE OF  
SERVICE OF RESPONSES TO STAFF'S  
FIRST SET OF INTERROGATORIES (NOS 1-6)**

St. Joe Natural Gas Company, Inc., ("SJNG") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to Staff's First Set of Interrogatories (NOS 1-6) by U.S. Mail to Martha C. Brown Esq., Senior Attorney, Office of General Counsel, Florida Public Services Commission, 2540 Shumard oak Blvd., Tallahassee, Florida 32399-0850 on this 30<sup>th</sup> day of September, 2008.



**CHARLES A. COSTIN, ESQ.**  
COSTIN & COSTIN ATTORNEYS at LAW  
413 Williams Ave.  
P.O. Box 98  
Port St. Joe, Florida 32457  
850-227-1159  
Attorney for St. Joe Natural Gas Company, Inc.  
Florida Bar No. 699070



## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of St. Joe Natural Gas Company, Inc.'s responses to Staff's Set of Interrogatories (NOS 1-6) in Docket No. 080004-GU have been served upon the following parties by overnight courier this 30<sup>th</sup> day of September, 2008.

Marc S. Seagrave  
Florida Public Utilities Company  
P.O. Box 3395  
West Palm Beach, Fl. 33402-3395

Beth Keating  
Akerman Senterfitt  
106 E. College Ave.  
Suite 1200  
Tallahassee, Fl. 32301

Thomas A. Geoffroy  
Florida Division of Chesapeake Utilities Corp.  
P.O. Box 960  
Winter Haven, Fl. 33882-0960

Brian J. Powers, General Manager  
Indiantown Gas Company  
P.O. Box 8  
Indiantown, Fl. 34956-0008

Elizabeth Wade & Melvin Williams  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Jerry H. Melendy, Jr.  
Sebring Gas System, Inc  
3515 U.S. Hwy 27 S  
Sebring, Fl. 33870

Martha Brown, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
P.O. Box 15579  
Tallahassee, Fl. 32317

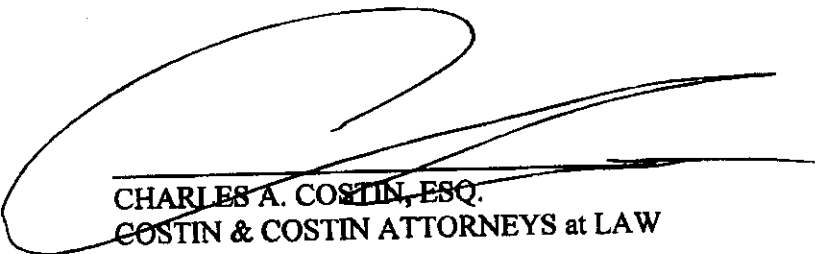
Jay Sutton  
Florida City Gas  
4180 S. US. Hwy, 1  
Rockledge Fl. 32955-5309

Robert Scheffel Wright  
Young van Assanderp  
225 S. Adams St. Suite 200  
Tallahassee, Fl. 32301

Ansley Watson, Jr.  
MacFarlane, Ferguson & McMullen  
P.O. Box 1531  
Tampa, Fl. 33601-1531

Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, Fl. 33601-0111

Matthew R. Costa  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, Fl. 33601-0111



**CHARLES A. COSTIN, ESQ.**  
**COSTIN & COSTIN ATTORNEYS at LAW**  
413 Williams Ave.  
P.O. Box 98  
Port St. Joe, Florida 32457  
850-227-1159  
Attorney for St. Joe Natural Gas Company, Inc.  
Florida Bar No. 699070

**St Joe. Natural Gas Company, Inc.**  
**Docket No. 080004-GU**  
**RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES TO**  
**ST. JOE NATURAL GAS COMPANY, INC. (NOS. 1 - 6)**

**September 30, 2008**

1. Please explain or describe whether SJNG participated in the Southern Gas Association (SGA) Builders and Developers Conference in 2007.

Company Response: SJNG did not participate in the SGA in 2007

2. Please refer to Exhibit DKS-1, page 3 of 8, attached to the direct testimony of Debbie Stitt, filed on April 29, 2008. Please provide the expense for the SGA Builders and Developers Conference that was included for recovery in each of the categories and programs shown on Schedule CT-2.

Company Response: No expense for SGA in 2007.

3. Please explain or describe whether all activities of the SGA Builders and Developers Conference are directly related to any approved conservation program.

Company Response: Not applicable

4. Please explain or describe how SJNG allocates indirect expense that is to be removed from the total cost for ECCR cost recovery. As part of this response, please identify the amount that is removed based on this allocation method.

Company Response: There are no indirect expenses incurred for ECCR.

5. Please explain or describe whether SJNG plans to participate in the SGA Builders and Developers Conference in 2009.

Company Response: SJNG does not plan on participating in the SGA in 2009.

6. If the answer to Interrogatory No. 5 is yes, please identify the dollar amount for the SGA Builders and Developers Conference that SJNG will include for recovery in 2009.

Company Response: NA



**Florida Public Utilities Company's  
Response to Staff's First Request for  
Production of Documents  
(Nos. 1-3)**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation )  
Cost Recovery Clause. )  
\_\_\_\_\_ )

Docket No. 080004-GU  
Date Filed: October 7, 2008

**FLORIDA PUBLIC UTILITIES COMPANY'S  
NOTICE OF SERVING RESPONSES TO FPSC STAFF'S  
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-3)**

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Request for Production of Documents (Nos. 1-3) by Hand Delivery on Katherine E. Fleming, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 on this 7<sup>th</sup> day of October, 2008.



NORMAN H. HORTON, JR.  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317  
Telephone: (850) 222-0720  
Direct Facsimile: (850) 558-0656

Attorneys for Florida Public Utilities Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (\*) and/or U. S. Mail this 7<sup>th</sup> day of October, 2008 upon the following:

Katherine Fleming, Esq.\*  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Matthew R. Costa, Esq.  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Beth Keating, Esq.  
Akerman Senterfitt  
106 E. College Avenue, Suite 1200  
Tallahassee, FL 32301

Elizabeth Wade, Esq.  
Mr. Melvin Williams  
AGL Resources, Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Mr. Charles Rawson  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

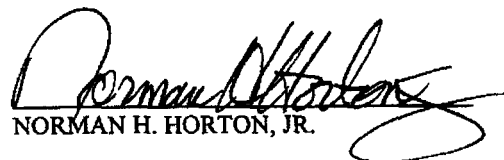
Charles A. Costin, P.A.  
Costin and Costin  
Post Office Box 98  
Port St. Joe, FL 32457-0098

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33610-1531

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27, South  
Sebring, FL 33870-5452

Mr. Brian Powers  
President  
Indiantown Gas Company, Inc.  
Post Office Box 8  
Indiantown, FL 34956-0008

Robert Scheffel Wright, Esq.  
Young van Assenderp  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

  
NORMAN H. HORTON, JR.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation )  
Cost Recovery Clause. )  
\_\_\_\_\_ )

Docket No. 080004-GU

**FLORIDA PUBLIC UTILITIES COMPANY'S  
RESPONSES TO FPSC STAFF'S FIRST REQUEST FOR  
PRODUCTION OF DOCUMENTS (NOS. 1-3)**

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's First Request for Production of Documents (Nos. 1-3) states as follows:

1. Please provide all documents (such as the Agenda of the conference) associated with the SGA Builders and Developers Conference.

**FPUC's RESPONSE:** See attached.


2. Please provide all documents associated with the gas appliance sales training.

**FPUC's RESPONSE:** See attached.

3. Please provide all documents associated with the Demo Kitchen training.

**FPUC's RESPONSE:** See attached.

Respectfully submitted this 7<sup>th</sup> day of October, 2008.

  
NORMAN H. HORTON, JR.  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317  
Telephone: (850) 222-0720  
Direct Facsimile: (850) 558-0656

Attorneys for Florida Public Utilities Company



## COMPANY CORRESPONDENCE

---

**Date:** 23 June 2008  
**Route to:** Joe Eysie, Energy Conservation Manager  
**From:** Marc Seagrave  
**Subject:** Builder / Developer Conference

---

**Question:** Why was the expense for spouse to attend the SGA Builder / Developer conference included in the expenses charged to conservation?

**Answer:** The Builder and Developer conference is an industry sponsored bi-annual event to promote the expanded use of natural gas, educate participants as to homebuyer trends relative to natural gas energy use. Builders and developers from around the country meet, network with each other and the various natural gas utility representatives and learn how the use of natural gas not only benefits their prospects but also benefits their future home buyers.

Spouses of the builders and developers are invited and are encouraged to participate in all meetings, social events and educational seminars. The thought process behind inviting the spouses is based on the theory that if you convince the spouse, they too will encourage the use of natural gas and will want to attend future events. It is vital that the industry reach out to and educate the decision makers that will impact the future expansion of natural gas (which reduces the need to build additional fossil fuel power plants which are much less efficient than using the same energy directly in the home).

To balance out the networking and social interaction, FPU and other participating companies invite their spouses as well to attend and to assist with the marketing of natural gas and the conservation programs under which we provide incentives in the form of rebates and services.

Since the entire event is centered around our conservation compliant gas burning appliances, conservation programs and services, the expenses incurred are charged to our energy conservation program.

**REGISTRATION FORM**  
**2007 SGA Builders and Developers Conference**  
 May 17-20, 2007 ♦ Hyatt Regency Coconut Point ♦ Bonita Springs, Florida

Sponsoring Company's Name FLORIDA PUBLIC UTILITES COMPANY  
 Delegate's Name DON PAUSTIAN Badge Name DON PAUSTIAN  
 Spouse or guest name (if attending) ISABELLA PAUSTIAN  
 Company GORDON HOMES  
 Address 6464 BELLAMALFI ST  
 City, State and Zip Code BOCA RATON FL 33496  
 Phone Number 561-880-0384 Fax Number \_\_\_\_\_  
 E-mail Address DONPAUSTIAN@GORDONHOMES.COM

*Note to Liaison Representative: Please see the instructions for details on how to complete the registration forms.*

♦ Deadline for returning form is April 30, 2007 ♦

CONFERENCE DELEGATE REGISTRATION FEE ..... \$775  
 (Does not include optional conference activities.)

SPOUSE REGISTRATION FEE ..... \$375  
 (Does not include optional conference activities.)

"EVERGLADES ECO-TOUR" - Friday, May 18 - 12:30 P.M. to 4:30 P.M. - Minimum of 25  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

"SWEET LIBERTY" CATAMARAN SAILING TOUR - Saturday, May 19 - 12:30 P.M. to 4:30 P.M. - Minimum of 25  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

"EVERGLADES ECO-TOUR" - Saturday, May 19 - 12:30 P.M. to 4:30 P.M. - Minimum of 25  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

**Americans with Disabilities Act.** Please list any special meeting needs you may have in accordance with the Americans with Disabilities Act, such as access ramps or auxiliary aids.

TOTAL REGISTRATION AND ACTIVITY FEES DUE \$1400

- Check enclosed
- Please invoice
- Credit Card
  - American Express
  - MasterCard
  - Visa

Card # 4339 9300 0894 9051 Exp. Date 09/07

Name as it appears on Card BONNIE ERDEK FLORIDA PUBLIC UTILITIES

**Refund Policy:** Full refunds will be made for cancellations received on or before May 3, 2007. Cancellations received after that date but before May 11 will be discounted to defray the costs of advance commitments. After May 11, no refunds will be made. All requests for refunds should be submitted in writing.

**REGISTRATION FORM**  
**2007 SGA Builders and Developers Conference**  
 May 17-20, 2007 ♦ Hyatt Regency Coconut Point ♦ Bonita Springs, Florida

Sponsoring Company's Name FLORIDA PUBLIC UTILITIES COMPANY  
 Delegate's Name MARC SEAGRAVE Badge Name MARC SEAGRAVE  
 Spouse or guest name (if attending) DEBBIE SEAGRAVE  
 Company FLORIDA PUBLIC UTILITIES COMPANY  
 Address 401 S DEXIE HWY  
 City, State and Zip Code WEST PALM BEACH  
 Phone Number 561-838-1714 Fax Number 561-833-8562  
 E-mail Address MSEAGRAVE@FPUC.COM

*Note to Liaison Representative: Please see the instructions for details on how to complete the registration forms.*

♦ **Deadline for returning form is April 30, 2007** ♦

**CONFERENCE DELEGATE REGISTRATION FEE** ..... \$775  
 (Does not include optional conference activities.)

**PAID**  
**JUL 03 2007**

**SPOUSE REGISTRATION FEE** ..... \$375  
 (Does not include optional conference activities.)

**"EVERGLADES ECO-TOUR" - Friday, May 18 - 12:30 P.M. to 4:30 P.M. - Minimum of 25**  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

**"SWEET LIBERTY" CATAMARAN SAILING TOUR - Saturday, May 19 - 12:30 P.M. to 4:30 P.M. - Minimum of 25**  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

**"EVERGLADES ECO-TOUR" - Saturday, May 19 - 12:30 P.M. to 4:30 P.M. - Minimum of 25**  
 Delegate ..... \$125  
 Spouse/Guest ..... \$125

**Americans with Disabilities Act.** Please list any special meeting needs you may have in accordance with the Americans with Disabilities Act, such as access ramps or auxiliary aids.

**TOTAL REGISTRATION AND ACTIVITY FEES DUE**      \$1400

- Check enclosed
- Please invoice
- Credit Card
- American Express       MasterCard       Visa

Card # 4339930008949051 Exp. Date 09/07

Name as it appears on Card BONNIE ERDEK FLORIDA PUBLIC UTILITIES

**Refund Policy:** Full refunds will be made for cancellations received on or before May 3, 2007. Cancellations received after that date but before May 11 will be discounted to defray the costs of advance commitments. After May 11, no refunds will be made. All requests for refunds should be submitted in writing.



**AUDIT FINDING NO. 3**

**SUBJECT: ENTERTAINMENT AND SPOUSE EXPENSES**

**AUDIT ANALYSIS:** A company employee was reimbursed for expenses for a Builder Development Conference in Bonita Beach in May of 2007. The expense included entertainment costs of \$1,011.96 for employees and a builder and his wife. These costs were charged to account 121.4010.907-West Palm Beach Supervision expenses

In June 2007, \$1,875 was paid to the SGA Builders and Developers Conference for registration for spouses and an Eco Tour for both the spouses and the participants. One of the registrations paid was for a developer and his wife.

According to the utility representative, "spouses of the builders and developers are invited and are encouraged to participate in all meetings, social events and educational seminars. The thought process behind inviting the spouses is based on the theory that if you convince the spouse, they too will encourage the use of natural gas and will want to attend future events. It is vital that the industry reach out to and educate the decision makers that will impact future expansion of natural gas."

"To balance out the networking and social interaction, FPU and other participating companies invite their spouses as well to attend and to assist with the marketing of natural gas and the conservation programs under which we provide incentives in the form of rebates and services."

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.

**FPU's Response:**

FPU participates on the residential marketing committee of the Southern Gas Association. As a member of the committee, FPU assists in the planning for the event and the content to which the natural gas industry intends for the builder/developer audience to hear and learn from. Much of the SGA builder and developer conference is centered on the benefits of natural gas to the consumer, much of which encourages construction methods that incorporate the use of natural gas a domestically produced energy source that when used conserves electric generation and the fuel source of that generation.

The conference also serves as a platform for builders and developers to network with each other and to make the necessary contacts in the natural gas industry so that they can learn more about constructing homes with natural gas and the conservation rebate programs that

**SGA BUILDERS AND  
DEVELOPERS CONFERENCE**

**MAY 17-20, 2007**

**WINDY RESERVE COCONUT POINT**

---

**RESORT & SPA - NAPLES COAST**

---

**5001 COCONUT ROAD**

---

**BONITA SPRINGS, FLORIDA**

**SPONSORED BY SOUTHERN GAS ASSOCIATION**

# LOOKING FOR A GREAT SPRING GETAWAY?

## Getaways in Florida

at the *American Builders and Developers Conference*... The learn and retreat experience can be enjoyed May 14-20 at the Hyatt Regency Coconut Point Resort & Spa, Bonita Springs, Florida located between Ft. Myers and Naples.

Prepare yourself for the perfect opportunity to network and learn from professionals in the building and energy industries. This conference is held biennially and attracts key decision-makers throughout the southern region of the United States.

The Conference Program offers presentations on "The Short Run Outlook for the Economy", "TOTAL QUALITY COSTS: Life Styles by Design", "Make Buying Green Pay", and other financial savings. Exhibitors will be on hand to showcase natural gas applications and energy technologies.

The Hyatt Regency Coconut Point allows for the time to enjoy golf, tours of the Bonita Point, Bee Tours, fishing, and on-site resort recreational activities or relaxing with personalized BGA member company representatives. The conference planning committee believes that the Hyatt Regency Coconut Point is the ideal location.

With this trip, you'll find the great learning and networking event sponsored by Southern Gas Association and its participating member companies. See you along with all the Hyatt Regency.

Hyatt Regency Coconut Point

10000 Coconut Point Blvd

Bonita Springs, Florida 34135

## ABOUT YOUR DESTINATION

The Hyatt Regency Coconut Point Resort & Spa is situated on southwest Florida's Estero Bay and offers the perfect environment to enjoy nearby beaches, shopping and a 12-acre ornamental garden preserve at the resort. The 450-room hotel occupies 26 acres along the Gulf of Mexico in southwest Florida. The hotel's 18-hole Raptor Bay Golf Course, designed by Raymond Floyd, holds Audubon International's Gold Certificate for its sensitivity to environmental concerns. The resort also has a spectacular spa, salon and fitness center. In addition, the resort's private water taxi ferries guests to the secluded beaches of nearby tropical islands. The hotel is also just 13 miles from the Southwest Florida.

## CONFERENCE PROGRAM HIGHLIGHTS

### "WELCOME TO THE CONFERENCE"

*Bret Cantrell, President, TCO Peoples Gas, and SGA Second Vice Chairman of the Board*

SGA represents over 140 natural gas companies, which includes distribution, transmission and gas supply marketing companies. SGA is a member-driven organization serving the industry from coast to coast and border to border.

### "GAZING INTO THE CRYSTAL BALL:

#### THE SHORT RUN OUTLOOK FOR THE ECONOMY"

*LORRY C. SCOTT, Ph.D., President, Loren C. Scott and Associates, Inc.*

Dr. Scott is President of an economic consulting firm whose clients include many Fortune 500 companies. From 1988 to 1996, Dr. Scott was Chairman of the Economics Department of LSU. His presentation will discuss the latest trends in the economy, the prospects for the future, and how interest rates will affect the building industry and what a new year means for the prices.

### "NATURAL GAS IN THE 21ST CENTURY: BY DESIGN"

*Donna L. Linn, Director of Marketing, AGI Resources, Inc.*

This presentation will discuss new technologies as we walk through the gas home of the future. From the utility area to the great outdoors.

### "MARKETING GREEN HOMES"

*Sara Linn, M.A., MBA, CAPS, President, Home Building Coach*

Green isn't just for frogs - your buyers will want it too. In this presentation you will learn how to make being green fun for your customers. Learn how to impress your customers by explaining them with the features and benefits of natural gas appliances together with green building principles.

Sara has a Masters Degree from California State University and is a contributing editor to Green Building Magazine. She is a member of the NAHB, Sales and Marketing Council, 50+ Housing Council, National Women's Council, the National Association of Real Estate Builders and the Builder Realty Council. She is the author of the workbook "How to Market Green Homes" and "Your 21st Century High Performance Home."

### "GREEN BUILDING AND HOME DESIGN"

*Richard J. Linn, Director of Marketing, AGI Resources, Inc.*

## CONFERENCE SCHEDULE

### THURSDAY, MAY 17, 2007

1:30 P.M. to 6:30 P.M. Registration

### FRIDAY, MAY 18, 2007

8:30 A.M. to 7:00 P.M. Registration

#### MORNING AND AFTERNOON FREE FOR OPTIONAL ACTIVITIES

7:00 P.M. to 9:00 P.M. "Welcome to Florida" Cocktail Buffet

### SATURDAY, MAY 19, 2007

7:00 A.M. to 8:00 A.M. Breakfast

7:00 A.M. to 8:00 A.M. Registration

8:00 A.M. to 9:00 A.M. General Session I

"Welcome to the Conference"

"Cracking Into the Crystal Ball: The Short Run Outlook for the Economy"

9:30 A.M. to 11:30 A.M. Refreshment Break with Exhibitors

"Natural Gas... Life Styles by Design"

11:00 A.M. to 11:30 A.M. Refreshment Break with Exhibitors

#### AFTERNOON FREE FOR OPTIONAL ACTIVITIES

7:00 P.M. to 8:00 P.M. Reception with Exhibitors

8:00 P.M. to 10:00 P.M. Dinner

### SUNDAY, MAY 20, 2007

7:00 A.M. to 8:00 A.M. Breakfast

7:00 A.M. to 8:00 A.M. Registration

8:00 A.M. to 9:00 A.M. General Session II

"Cracking Into the Green Run"

9:30 A.M. to 11:30 A.M. Refreshment Break with New Home Design"

Visit Our Exhibitors Before the Sessions, During the Refreshment Breaks and at the Saturday Evening Reception. Meeting Locations Subject to Change: Check Hotel Information Board.

**SGA BUILDERS AND DEVELOPERS  
CONFERENCE PLANNING COMMITTEE**

**DONNA STEPHENSON, CHAIR**

*Atmos Energy, Louisiana Division*

Gene Ridd, Vice Chair  
*Cornerstone Energy*

Sandy Bean  
*Atlanta Gas Corporation*

Sherrie Blanton  
*Atlanta Gas Light Company*

Mike Ellis  
*Atmos Energy, Mississippi Division*

George Walker  
*Atmos Energy, Texas Division*

Mariada Henthick  
*Atmos Energy, Texas Division*

Mike Seay  
*Florida Public Service Co.*

Jim Hearing  
*Laclede Gas Company*

Rick Schaffer  
*Mobile Gas Service Corporation*

Mike Mihalick  
*Municipal Gas Authority of Georgia*

Gene Rogers  
*Piedmont Natural Gas*

Jimmy Nicholson  
*South Carolina Electric & Gas Co.*

Rick Fletcher  
*Southern Natural Gas*

Kevin Webber  
*TECO Partners, Inc.*

Frank Schooler  
*SGA*

Mike Grubb  
*SGA*



*When you have a natural advantage, use it. Gas. The Natural Advantage. ®*

**SGA**

1000 West Ross Street, Suite 200, P. O. Box 600 • Dallas, Texas 75234

Phone: (972) 620-8518 • Fax: (972) 620-8518

Website: [www.southern-gas.org](http://www.southern-gas.org)

Email: [info@southern-gas.org](mailto:info@southern-gas.org)

*Founded in Atlanta in 1968, SGA represents over 140 natural gas companies, which includes distribution, transmission and gas supply marketing companies. SGA is a member-driven organization serving the industry from coast to coast and border to border. The Association's slogan is "Linking People, Values, and Interests."*





Florida Public Utilities Co.,



# Energy Star Appliance Training

Monday, August 27<sup>th</sup>, 2007

Based on standard U.S. Government tests

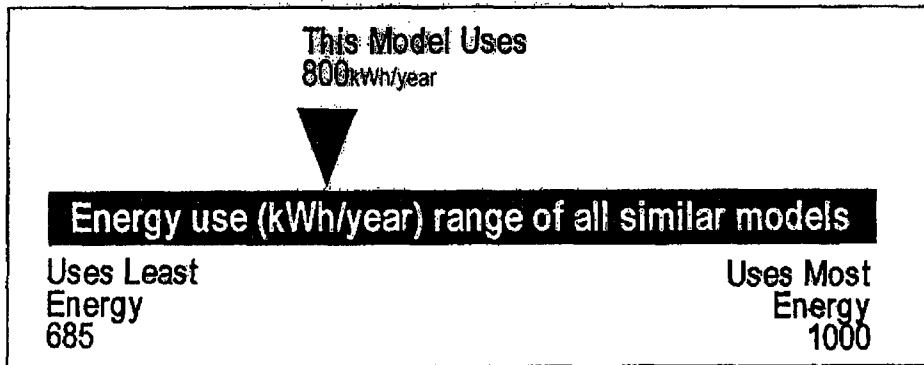
# ENERGYGUIDE

Refrigerator-Freezer  
With Automatic Defrost  
With Side-Mounted Freezer  
With Through-the-Door-Ice Service



XYZ Corporation  
Model ABC-W  
Capacity: 23 Cubic Feet

**Compare the Energy Use of this Refrigerator  
with Others Before You Buy.**





kWh/year (kilowatt-hours per year) is a measure of energy (electricity) use. Your utility company uses it to compute your bill. Only models with 22.5 and 24.4 cubic feet and the above features are used in this scale.

**Refrigerators using more energy cost more to operate.  
This model's estimated yearly operating cost is:**

**\$65**

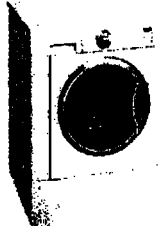
Based on a 2000 U.S. Government national average cost of 8.034 per kWh for electricity. Your actual operating cost will vary depending on your local utility rates and your use of the product.

Important: Removal of this label before consumer purchase violates the Federal Trade Commission's Appliance Labeling Rule (16 C.F.R. Part 305).




## ENERGY STAR® SALES ASSOCIATE TRAINING

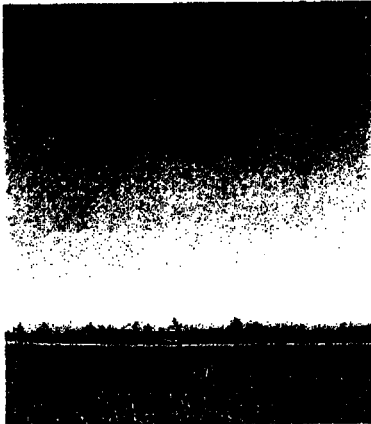
### Clothes Washers



EPA Learn more at [energystar.gov](http://energystar.gov)



## What is ENERGY STAR?

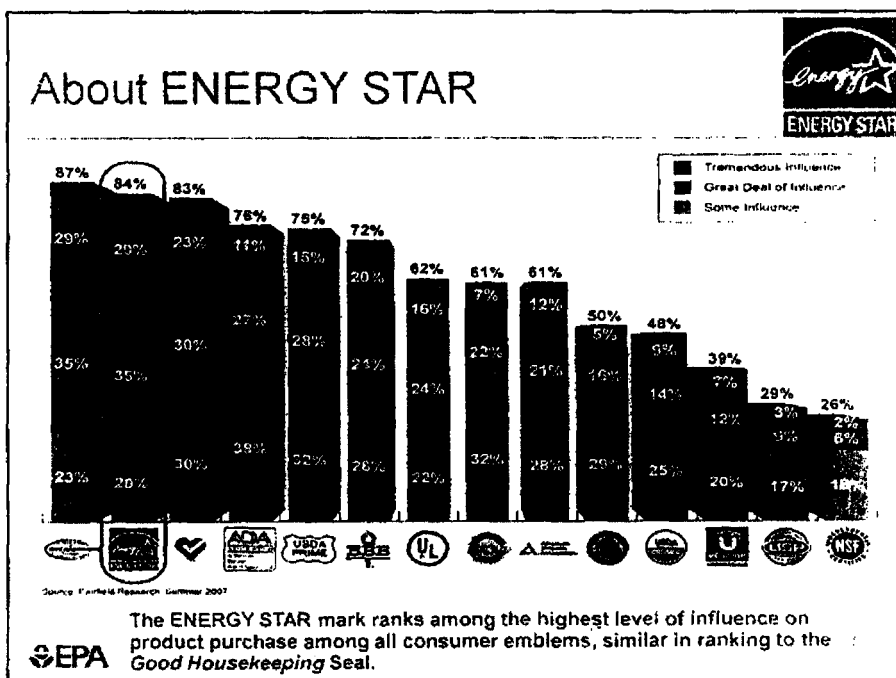


ENERGY STAR is a government-backed program that helps consumers identify energy-efficient products

ENERGY STAR qualified products:

- Save energy
- Save money
- Save the environment

EPA



## ENERGY STAR Sales Value

Consumer awareness and desire for efficiency savings is high.

- In 2007, more than 70% of households nationwide recognized the ENERGY STAR label.
- Of households that purchased ENERGY STAR products in the past year:
  - More than 70% of them reported the label as influential to their purchasing decision.
  - More than 80% of them reported they are likely to recommend ENERGY STAR products to friends.
- In 2007 alone, Americans—with the help of ENERGY STAR—saved \$16 billion on their energy bills and prevented greenhouse gas emissions equivalent to the annual emissions of 27 million vehicles.

U.S. GREEN BUILDING PARTNERSHIP: EPA Office of Air and Radiation, Vehicle Protection Partnership Liaison, National Association of Manufacturers, U.S. Green Building Council, GreenSource, Inc., U.S. EPA, 2007 ENERGY STAR Product of 2007 Competition Report, 2007-2008

## ENERGY STAR Clothes Washer Criteria



ENERGY STAR qualified clothes washers cut energy consumption by about 30% and water consumption by about 50% compared to regular washers.

### Meeting the ENERGY STAR Criteria

Qualified clothes washers must be at least 37% more energy efficient than federal standards and must meet stringent water efficiency criteria.

ENERGY STAR criteria requires a minimum modified energy factor (MEF) of 1.72 and a new maximum water factor of 8.0 gallons/cycle/cubic foot.

Clothes washer efficiency is measured by Modified Energy Factor (MEF) and Water Factor (WF). MEF is a measure of energy efficiency that considers the energy used by the washer, the energy used to heat the water, and the energy required to remove the remaining moisture from the wash load. The higher the MEF, the more efficient the clothes washer. WF measures the water efficiency and is calculated as gallons of water used per cubic foot of capacity. The lower the WF, the more efficient the unit.



## Saving Energy = Saving Money



ENERGY STAR qualified products use less energy and cost less to operate resulting in:

LOWER  
UTILITY  
BILLS

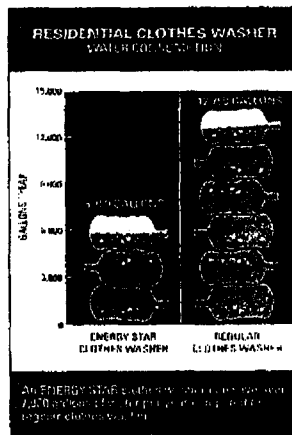
- On average, 90% of the energy consumed by conventional clothes washers is used to heat water. By using less water, qualified clothes washers reduce the amount of energy needed to heat the water.
- By dramatically reducing energy and water consumption, qualified clothes washers help save about \$50/year on utility bills.



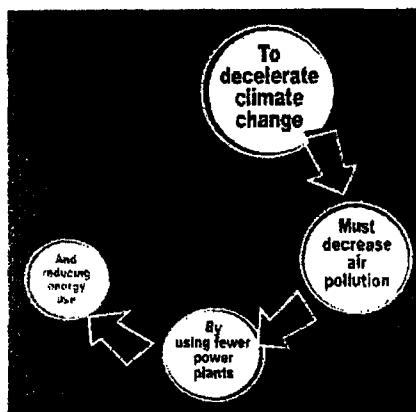
# ENERGY STAR Clothes Washer Savings



- A full-sized ENERGY STAR qualified clothes washer uses 10-20 gallons of water per load, compared to the 30-35 gallons used by a standard machine.
- Savings from using less water include not only the gallons of water, but also reduce water heating and fees often tied to water usage, such as sewage and water treatment costs.



# Saving Energy Helps Protect the Environment



- By using less energy, qualified clothes washers help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants.
- By reducing water consumption they also help protect our lakes, streams, and oceans.



## ENERGY STAR Clothes Washer Features



Many qualified clothes washer models incorporate high-efficiency features such as:

- Higher capacity with front- and top-loading options without central agitators
- High-pressure spray rinsing that saves water compared to filling and draining the tub
- High-speed spin options that reduce drying time and energy usage
- Efficient motors and precise settings that can save energy and water



## Clothes Washers: Energy Saving Tips



- Switching the temperature setting from hot to warm can cut energy use in half for washing one load. Using the cold cycle reduces energy use even more.
- Run full loads whenever possible.
- Choose a high spin speed or the extended spin option to reduce the amount of time it takes to dry your clothes.
- Air-drying clothes outside or on a drying rack helps them last longer and saves energy.
- Always use high-efficiency detergent in front-loading machines. Using regular detergent can lead to poor washing and rinsing performance.



## ENERGY STAR Clothes Washer Brands



Trusted brands like these...

- Whirlpool
- GE
- Kenmore
- LG
- Maytag
- Frigidaire



[Customize as appropriate]



## ENERGY STAR Clothes Washers Overview



### ENERGY STAR:

The government-backed program dedicated to helping consumers protect the environment through superior energy efficiency. Look for the ENERGY STAR label on qualified clothes washers.

### ENERGY STAR qualified clothes washers:

- Reduce energy consumption by about 30% compared to regular washers
- Save about \$50 a year on utility bills.
- Can save an average of 15-20 gallons of water per load compared to a standard washer
- Incorporate high-efficiency features that help reduce energy and water consumption and improve performance.
- Help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants.







## ENERGY STAR TRAINING CENTER



A user-friendly and easily navigable micro-site containing training tools for partners. Users can navigate throughout three main categories to find training resources relevant to them: **products, campaigns, utilities/energy efficiency program sponsors.**

### *Benefits:*

- **EASY:** Access to all ENERGY STAR training materials and resources on your own.
- **ACCURATE:** The most current training materials to share with your sales associates for increasing the sale of ENERGY STAR qualified products and services.
- **RELEVANT:** A location for collaboration and idea exchange with other partners.

To LEARN MORE, visit the ENERGY STAR Training Center page at:



11



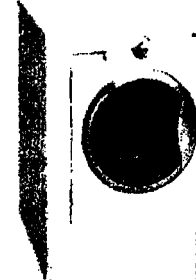
LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR, the U.S. Environmental Protection Agency and U.S. Department of Energy program, helps us all save money and protect our environment through energy efficient products and practices. For more information, visit [www.energystar.gov](http://www.energystar.gov)

## ENERGY STAR Clothes Washers AT A GLANCE

### What is ENERGY STAR?

- The U.S. government-backed symbol of energy efficiency
- A program dedicated to identifying products that save energy without sacrificing performance.



### Why Buy ENERGY STAR Qualified Clothes Washers?

#### Save energy

- Qualified clothes washers use about 30% less energy compared to regular washers, and they use about 50% less water.

#### Save money

- By dramatically reducing energy and water consumption, qualified clothes washers can save about \$50 in annual utility costs.

#### Save the environment

- By using less energy, qualified clothes washers reduce greenhouse gas emissions caused by burning fossil fuels at power plants.
- By reducing water consumption, they help protect our lakes, streams, and oceans.

#### High-efficiency features

Many qualified clothes washer models incorporate high efficiency features such as:

- Higher capacity with front- and top-loading options without central agitators
- High-pressure spray rinsing that saves water compared to filling and draining the tub
- High-speed spin options that reduce drying time and energy usage
- Efficient motors and precise settings that can save energy and water

### Share These Tips with Your Customers

Get the best performance from an ENERGY STAR qualified clothes washer and save energy with the following practices:

- Switching the temperature setting from hot to warm can cut energy use in half for washing one load. Using the cold cycle reduces energy use even more.
- Clothes washers use about the same amount of energy no matter what size the load, so run a full load whenever possible.
- Choose the high spin speed or extended spin options to reduce the amount of remaining moisture in your clothes. This will reduce the amount of time your clothes take to dry.
- Air drying clothes helps them last longer and saves energy.
- Use high-efficiency detergent. Using regular detergent in front-loading washers will create too many suds and lead to decreased washing and rinsing performance.

To LEARN MORE about ENERGY STAR and Qualified Products:  
Visit [www.energystar.gov/training](http://www.energystar.gov/training) or call 1-888-STAR-YES (1-888-782-7937)



LEARN MORE AT  
[energystar.gov](http://energystar.gov)

The U.S. Environmental Protection Agency and  
Department of Energy program, helps us all save money  
and protect our environment through energy efficient products  
and services. For more information, visit [www.energystar.gov](http://www.energystar.gov)

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#### Save money

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#### Save the environment

- By using less energy, qualified clothes washers **reduce greenhouse gas emissions** caused by burning fossil fuels at power plants.
- By reducing water consumption, they **help protect our lakes, streams, and oceans**.

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## Promoting ENERGY STAR Qualified Clothes Washers

### What is ENERGY STAR?

ENERGY STAR is the government-backed symbol for energy efficiency. It identifies products in more than 50 categories, including clothes washers, that use less energy without sacrificing performance or quality. ENERGY STAR qualified products are an easy, convenient solution to energy and cost concerns.

ENERGY STAR qualified products:

- Save energy
- Save money
- Save the environment

### How do clothes washers earn the ENERGY STAR?

Qualified clothes washers must be at least 37% more energy efficient than federal standards and must meet stringent water efficiency criteria. Clothes washer efficiency is determined by the amount of energy used by the washer, the energy used to heat the water, and the energy required to remove the remaining moisture in the wash load. Water efficiency is measured by the gallons of water used per cubic foot of capacity.

### Why sell ENERGY STAR qualified clothes washers?

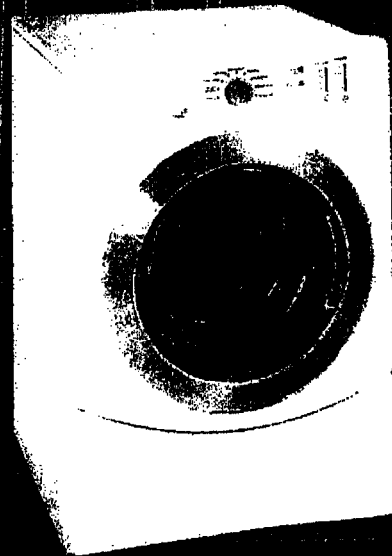
- In 2007, more than 70% of households nationwide recognized the ENERGY STAR label.
- Qualified clothes washers help lower utility bills about \$50 a year by reducing energy consumption by about 30% and water consumption by more than 50% compared to regular washers.
- A full-sized ENERGY STAR qualified clothes washer uses 10-20 gallons of water per load, compared to the 30-35 gallons used by a standard machine.
- By using less energy, qualified clothes washers reduce greenhouse gas emissions caused by burning fossil fuels at power plants. By reducing water consumption, they help protect our lakes, streams, and oceans.
- Many models incorporate high-efficiency features such as:
  - Higher capacity with front- and top-loading options without central agitators
  - High-pressure spray rinsing that saves water
  - High-speed spin options that reduce drying time and energy usage
  - Efficient motors and precise settings that can save energy and water.

### What in-store promotion ideas are available?

- Print and place ENERGY STAR hang tags on all displayed qualified models.
- Co-brand a poster or banner with a retailer or manufacturer.
- Distribute window decals for display on retailers' windows.
- Use an in-store or event banner to draw attention to a display of all your qualified energy-efficient products.
- Offer sales associate training on qualified products.
- Reach a broader audience by using marketing materials available in Spanish.

To LEARN MORE about ENERGY STAR and Qualified Products:  
Visit [www.energystar.gov/training](http://www.energystar.gov/training) or call 1-888-STAR-YES (1-888-782-7937)

INNOVATION. PERFORMANCE. SAVINGS.  
ENERGY STAR® Makes It Simple.



**CLOTHES WASHERS**  
2007 PARTNER RESOURCE GUIDE

## SECTION I: CONSUMER INFORMATION



ENERGY STAR is a government-backed program that helps consumers identify the most energy-efficient products.

This document is designed to help partners promote ENERGY STAR® qualified clothes washers.

- Section I includes the latest consumer messaging on product features and benefits, as well as fun facts and usage tips.
- Section II summarizes the most recent data on ENERGY STAR market share, ENERGY STAR criteria, energy savings, and cost-effectiveness.

Clothes washers that meet ENERGY STAR criteria use next generation technology to cut energy and water consumption by over 40% compared to regular washers

### ADVANCED TECHNOLOGY

ENERGY STAR clothes washers can be front-loaders or redesigned top-loaders, but both include two technical innovations that help save substantial amounts of energy and water:

#### NO CENTRAL AGITATOR

Front-loaders tumble clothes through a small amount of water instead of rubbing clothes against an agitator in a full tub. Advanced top loaders use sophisticated wash systems to flip or spin clothes through a reduced stream of water. Both designs dramatically reduce the amount of hot water used in the wash cycle, and the energy used to heat it.

#### HIGH SPIN SPEEDS

Efficient motors spin clothes two-three times faster during the spin cycle to extract more water. Less moisture in the clothes means less time and energy in the dryer.



Don't get agitated. Save time, money, the environment, and your clothes by purchasing an agitator-free washer.

## ENERGY SAVINGS TIPS

FILL IT UP	Run full loads whenever possible.
WASH IN COLD	It takes a lot of energy to heat water. Use the cold cycle when you can.
AVOID THE SANITARY CYCLE	This super hot cycle, available on some models, increases energy use significantly, so only use it when absolutely necessary.
USE SOLAR ENERGY	On a sunny day, hang clothes outside to dry.



## SAVINGS

The average household does almost 400 loads of laundry each year, consuming about 13,500 gallons of water. Selecting an ENERGY STAR qualified washer instead of a regular clothes washer provides the following benefits:

- **SAVE MONEY**

By dramatically reducing energy and water consumption, these units cut utility bills by an average of \$50 per year.

- **SAVE TIME**

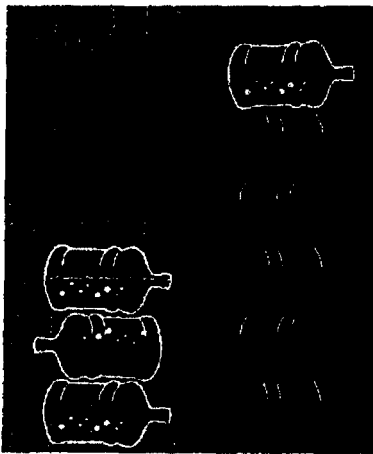
Without a bulky agitator there is more usable space in the tub for laundry—and in particular for large items like comforters. More capacity also means fewer loads of laundry each week. Some agitator-free washers can wash over 20 pounds of laundry at once, compared to 10-15 pounds for a conventional top-loader.

- **SAVE THE ENVIRONMENT**

Because they use less energy, these products reduce the air pollution and greenhouse gases caused by burning fossil fuels. By reducing water consumption, they also help protect our lakes, streams and oceans.

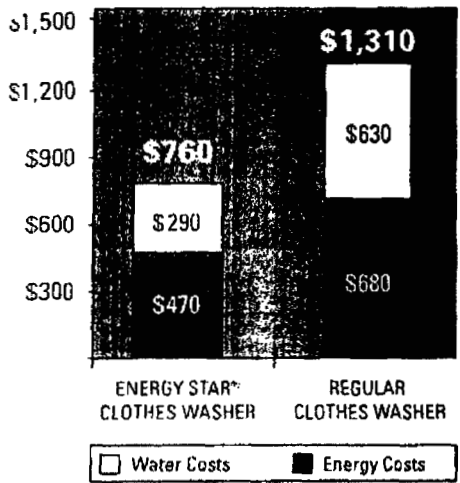
- **SAVE YOUR CLOTHES**

Instead of twisting and pulling clothes around a turning agitator, these products wash clothes gently. This lengthens the life of often-washed items and leads to less lint in the dryer! Because they are so gentle, many models can safely clean silk, wool, and other hand-washables.



An ENERGY STAR clothes washer can save over 7,000 gallons of water per year compared to a regular clothes washer.

**RESIDENTIAL CLOTHES WASHER**  
LIFETIME OPERATING COSTS



Though it may seem cheaper at first, a regular clothes washer can cost \$550 more to operate over its life compared to an ENERGY STAR clothes washer.



**FUN FACTS**

ENERGY STAR clothes washers save over 7,000 gallons of water a year. Over the 11-year life of the washer, that's enough water to:

- Provide a lifetime of drinking water for six people
- Fill three backyard swimming pools
- Run an ENERGY STAR dishwasher over 15,000 times (or every day for 42 years)
- Take over 3,000 showers
- Water your lawn 770 times
- Wash your car 760 times

ENERGY STAR clothes washers save \$50 per year. Over the 11-year life of the washer, that's enough money to:

- Buy a new ENERGY STAR qualified dishwasher
- Buy a new clothes dryer
- Buy 65 bottles of laundry detergent (or enough detergent to do laundry for four years)
- Buy 15 pairs of jeans
- Buy over 235 pairs of socks



**SECTION II : MARKET DATA**

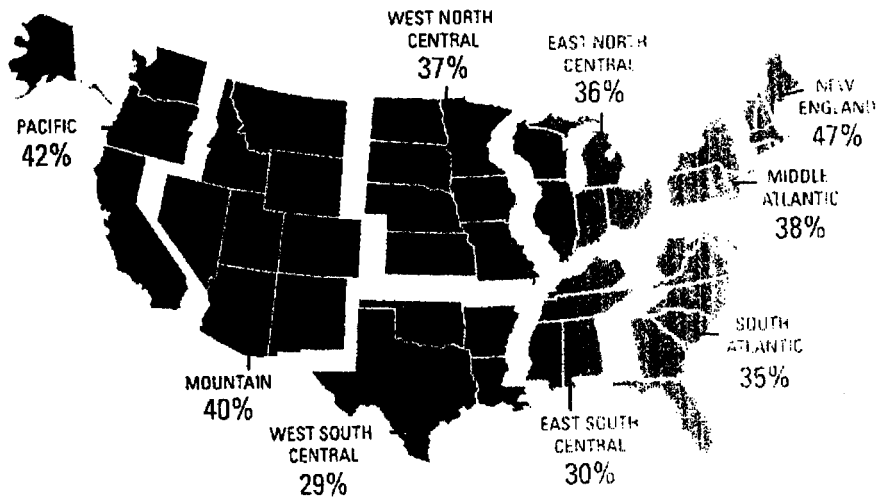


**ENERGY STAR MARKET SHARE**

The national market share of ENERGY STAR qualified clothes washers quadrupled between 2000 and 2005, growing from 9% to 36%.

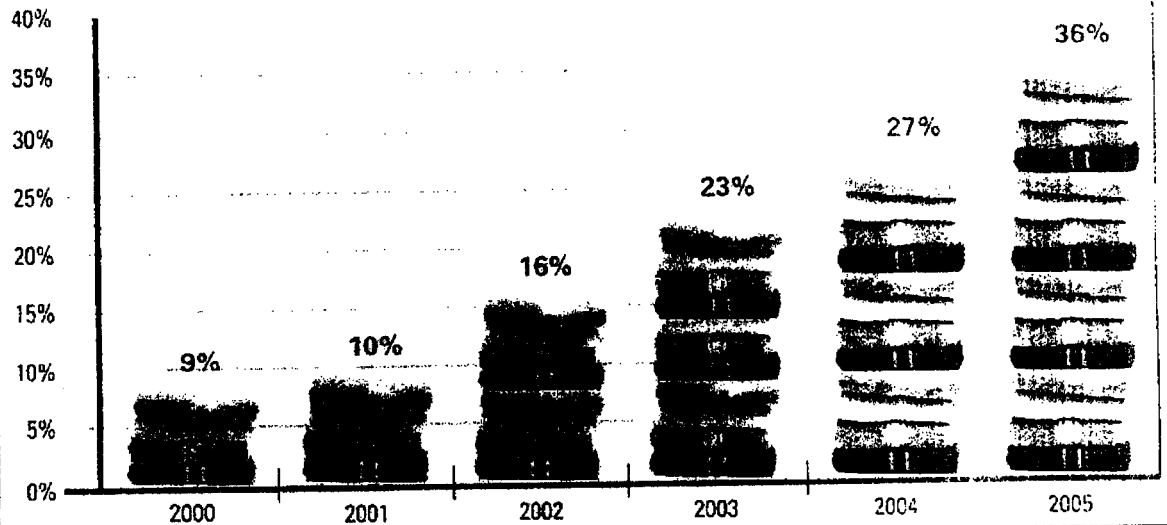
ENERGY STAR clothes washers have achieved healthy market share throughout the country, though sales remain strongest in regions with active program sponsors (such as California, the Pacific Northwest, and New England).

**ENERGY STAR CLOTHES WASHER  
2005 REGIONAL MARKET SHARE**



**ENERGY STAR  
CLOTHES WASHER**

2000-2005 NATIONAL  
MARKET SHARE





### ENERGY STAR CRITERIA

Clothes washer efficiency is measured by Modified Energy Factor (MEF) and Water Factor (WF).

MEF is a comprehensive measure of energy efficiency that considers the energy used by the washer, the energy used to heat the water, and the energy used to run the dryer. The higher the MEF, the more efficient the clothes washer.

WF measures the water efficiency and is calculated as gallons of water used per cubic foot of capacity. The lower the WF, the more efficient the clothes washer.

To meet the current ENERGY STAR criteria, clothes washers must be at least 37% more energy efficient than the federal standard, plus they must meet stringent water efficiency criteria. These criteria came into effect on January 1, 2007.

The Energy Policy Act of 2005 mandates the U.S. Department of Energy (DOE) to establish new criteria levels for ENERGY STAR qualified clothes washers by January 1, 2008 with an effective date of January 1, 2010. The minimum federal standard is not scheduled to change.

ENERGY STAR CRITERIA	
	CURRENT CRITERIA (AS OF JANUARY 1, 2007)
ENERGY STAR	MEF $\geq$ 1.72, WF $\leq$ 3.0
FEDERAL STANDARD	MEF $\geq$ 1.26



### COST EFFECTIVENESS

- Average life = 11 years<sup>1</sup>
- Average cycles per year = 392
- Time to recover initial investment = 5 years
- ENERGY STAR clothes washer price range = \$550 – \$1,520<sup>2</sup>
- Conventional clothes washer price range = \$240 – \$770

### ENERGY STAR SAVINGS

The annual dollar savings of a new ENERGY STAR clothes washer vary depending on which fuel a customer uses to heat their water and run their clothes dryer. Homes that have an electric water and an electric dryer—about 33% of U.S. households—will save an average of \$58 per year, whereas consumers that use gas water heating and a gas dryer—21% of households—will save an average of \$46 per year. The national weighted average is \$51 per year.

Annual ENERGY STAR Savings Per Unit <sup>3</sup>						
	Dryer	% of U.S. Households	Savings			Total
			Water	Electric	Gas	
Gas Water Heating	Electric	29%			\$7	\$51
	Gas	21%			\$13	\$46
	None	9%			\$7	\$40
Electric Water Heating	Electric	33%			—	\$58
	Gas	2%			\$6	\$53
	None	7%			—	\$47

<sup>1</sup> Annual Portrait of the U.S. Appliance Industry, Appliance Magazine, September 2006.


<sup>2</sup> National retailer: Woot sites

<sup>3</sup> Electric, gas, and water rates used to estimate dollar amounts are as follows: 10.19¢/kWh, \$1.45/therm (Source: U.S. Department of Energy, 2006) and \$0.04529/gallon (Source: Refratec Water and Wastewater Rate Survey, 2004).



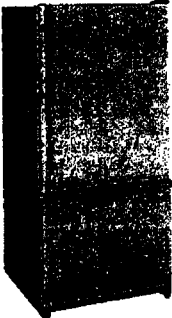
United States  
Department of Energy


For more information visit  
[www.energystar.gov](http://www.energystar.gov)  
1.888.STAR.YES





**ENERGY STAR®  
SALES ASSOCIATE  
TRAINING**

Refrigerators



 Learn more at [energystar.gov](http://energystar.gov)


What is ENERGY STAR?

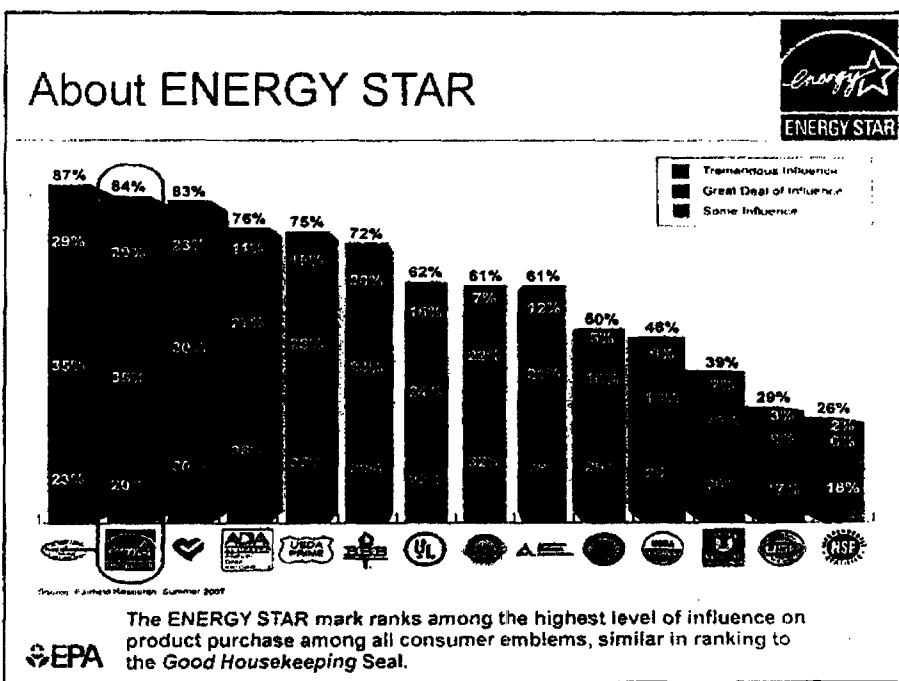


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## ENERGY STAR Sales Value

Consumer awareness and desire for efficiency savings is high.

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- Of households that purchased ENERGY STAR products in the past year:
  - More than 70% of them reported the label as influential to their purchasing decision.
  - More than 80% of them reported they are likely to recommend ENERGY STAR products to friends.
- In 2007 alone, Americans—with the help of ENERGY STAR—saved \$16 billion on their energy bills and prevented greenhouse gas emissions equivalent to the annual emissions of 27 million vehicles.

SOURCE: EPA Office of Air and Radiation, Lifestyle Protection Partnerships Division, National Awareness of EAP (EPA) (2007) (http://www.epa.gov/energy/energy-star/energy-star-overview-of-2007-achievements.html) April 2008

## ENERGY STAR Qualified Refrigerator Criteria



Under the new refrigerator specification (effective April 2008), refrigerators earning the ENERGY STAR must be at least **20% more energy efficient** than the minimum federal standard—an increase from the previous 15%.

The new specification requires the following energy efficiency standards.

Type of Unit	Percent more efficient than required by the minimum federal standard
Refrigerators and refrigerator-freezers 7.75 ft. <sup>2</sup> or greater	20%
Freezers 7.75 ft. <sup>2</sup> or greater	10%
Refrigerators and freezers less than 7.75 ft. <sup>2</sup>	20%



## Saving Energy = Saving Money



ENERGY STAR qualified products use less energy and cost less to operate resulting in:

**LOWER  
UTILITY  
BILLS**

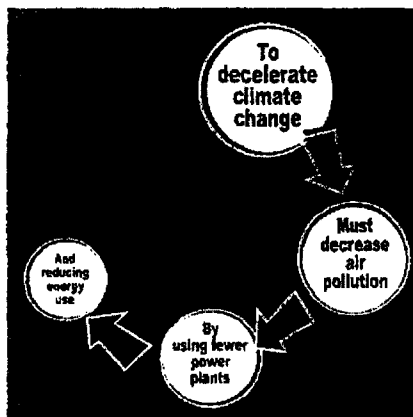
### Did you know?

- A new qualified refrigerator can save over \$112 on electricity bills over its lifetime compared to a new standard model.\*
- If everyone purchasing a refrigerator in 2008 chooses an ENERGY STAR qualified model over a non-qualified model, together we would save more than \$1.13 billion in energy bills
- New ENERGY STAR qualified refrigerators use less energy than a 60-watt light bulb run continuously

\*Source: DOE, Department of Energy



## Saving Energy Helps Protect the Environment



- If everyone purchasing a refrigerator in 2008 chooses an ENERGY STAR qualified model, together we would reduce the greenhouse gas emissions equivalent to 120,000 cars.
- By using less energy, qualified refrigerators help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants.



## Why Buy ENERGY STAR?



### Save energy without sacrificing quality or performance

ENERGY STAR qualified refrigerators offer high performance features such as:

- High-efficiency compressors – use less energy, creating less heat when they are running, and are often quieter than regular compressors
- Improved insulation – helps food stay cold and muffle refrigerator noise
- More precise temperature and defrost mechanisms - help ensure food is kept at the optimum temperature

### Wide Selection

- Available with automatic ice-makers and through-the-door ice and water dispensers
- Also available with top, bottom, and side-by-side freezers





## Reduce a Refrigerator's Energy Use Even More



- Position your refrigerator away from heat sources:
  - Ovens
  - Dishwashers
  - Direct sunlight from windows
- Leave space between the wall or cabinets and the refrigerator to allow air to circulate
- Keep coils clean
- Make sure the door seals are airtight
- Keep your refrigerator between 35°F and 38°F and your freezer at 0°F
- Minimize the time refrigerator doors are open
- Recycle older or second refrigerators



## Did You Know?




*"But the refrigerator I bought 20 years ago works just fine..."*

- There are over 47 million fridges over 10 years old in the U.S., costing consumers an average of \$4.7 billion per year in energy costs.
- Over 11 million of these fridges are secondary units, often in basements or garages. And some homes have three fridges!
- By replacing a 10-year old refrigerator with a new ENERGY STAR qualified model, you can save up to \$34 a year on electricity bills.

Source: U.S. Department of Energy




## ENERGY STAR Refrigerator Brands




Trusted brands like these...


- LG
- Electrolux
- GE
- Kenmore
- Maytag
- Whirlpool




[Customize as appropriate]



## ENERGY STAR As Your Sales Partner



- **Create Business Value**
  - Differentiation
    - Arm your staff with knowledge
    - Provide your customers products of choice
  - Grow your customer base
    - Attract and retain customers—help your customers save money and watch them keep coming back
  - Partner with ENERGY STAR and increase sales and customer loyalty by providing energy savings and environmental benefits
- **Create Social Value**
  - Reducing energy use helps decelerate climate change by preventing greenhouse gas emissions
  - Lower energy bills for consumers and businesses
  - Boost your brand's environmental image



## ENERGY STAR Refrigerator Overview



### ENERGY STAR:

The government-backed program dedicated to helping consumers save money and protect the environment through superior energy efficiency. Look for the ENERGY STAR label on qualified refrigerators.

### ENERGY STAR qualified refrigerators:

- Must be 20% more energy efficient than the minimum federal standard
- Save more than \$112 over the product lifetime, compared to a standard model
- Offer energy efficiency without sacrificing performance or features
- Save energy and help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants

\*Source: U.S. Department of Energy



## TC ENERGY STAR TRAINING CENTER



A user-friendly and easily navigable micro-site containing training tools for partners. Users can navigate throughout three main categories to find training resources relevant to them: **products, campaigns, utilities/energy efficiency program sponsors**

### Benefits:

- **EASY:** Access to all ENERGY STAR training materials and resources on your own
- **ACCURATE:** The most current training materials to share with your sales associates for increasing the sale of ENERGY STAR qualified products and services.
- **RELEVANT:** A location for collaboration and idea exchange with other partners

To LEARN MORE, visit the ENERGY STAR Training Center page at:





LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR, a U.S. Environmental Protection Agency program, helps consumers save energy and protect our environment through smart choices and practices. For more information, visit [energystar.gov](http://energystar.gov).

## Promoting ENERGY STAR Qualified Refrigerators

### What is ENERGY STAR?

ENERGY STAR is the government-backed symbol for energy efficiency. It identifies products in more than 50 categories, including refrigerators, that use less energy without sacrificing quality or performance. ENERGY STAR qualified products are an easy, convenient solution to energy and cost concerns.

ENERGY STAR qualified products:

- Save energy
- Save money
- Save the environment

### How do refrigerators earn the ENERGY STAR?

ENERGY STAR qualified refrigerators must be at least 20% more energy efficient than the minimum federal standard. Qualified refrigerators use less energy than standard models through high performance features like high efficiency compressors, improved insulation, and more precise temperature and defrost mechanisms.

### What are the benefits of ENERGY STAR qualified refrigerators?

- The ENERGY STAR label was **recognized by more than 70% of households** nationwide in 2007.
- New qualified refrigerators **use less energy than a 60-watt light bulb run continuously.**
- A new qualified refrigerator can **save over \$112 on electricity bills** over its lifetime compared to a new standard model.
- By using less energy, qualified refrigerators **reduce greenhouse gas emissions** caused by burning fossil fuels at power plants.
- Consumers are looking for ways to reduce their energy bills and help the environment. **Partnering with ENERGY STAR can increase sales and customer loyalty.**

### What in-store promotion ideas are available?

- Print and place ENERGY STAR hang tags on all displayed qualified models.
- Co-brand a poster or banner with a retailer or manufacturer.
- Distribute window decals for display on retailers' windows.
- Use an in-store or event banner to draw attention to a display of qualified products.
- Offer sales associate training on qualified products.
- Reach a broader audience by using marketing materials available in Spanish.

To **LEARN MORE** about ENERGY STAR and Qualified Products:  
Visit [www.energystar.gov/training](http://www.energystar.gov/training) or call 1-888-STAR-YES (1-888-782-7937)



LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR<sup>®</sup>, a U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy program, identifies products that save energy and protect our environment through advanced technologies and practices. For more information, visit [www.energystar.gov](http://www.energystar.gov).

## ENERGY STAR Qualified Refrigerators AT A GLANCE

### What is ENERGY STAR?

- The U.S. government-backed symbol of energy efficiency.
- A program dedicated to identifying products that save energy without sacrificing quality or performance.

### Why Buy ENERGY STAR Refrigerators?

#### Save energy

- Qualified refrigerators are **20% more efficient** than the minimum federal standard and feature high-efficiency compressors, improved insulation, and more precise temperature and defrost mechanisms.

#### Save money

- A new qualified refrigerator can **save more than \$112 on electricity bills** over its lifetime compared to a new standard model.

#### Save the environment

- By using less energy, qualified refrigerators **reduce greenhouse gas emissions** caused by burning fossil fuels at power plants.

### Energy Fact:

- If everyone purchasing a refrigerator in 2008 chooses an ENERGY STAR qualified model, together we would reduce the greenhouse gas emissions equivalent to 120,000 cars.

### Share These Tips with Your Customers

To maximize energy savings:

- Position your refrigerator away from heat sources such as:
  - Ovens
  - Dishwashers
  - Direct sunlight from windows
- Leave space between the wall or cabinets and the refrigerator to allow coils to circulate
- Keep coils clean; make sure the door seals are airtight
- Keep your refrigerator between 35°F and 38°F and your freezer at 0°F
- Minimize the time refrigerator doors are open
- Recycle older or second refrigerators

To **LEARN MORE** about ENERGY STAR and Qualified Products:  
Visit [www.energystar.gov/training](http://www.energystar.gov/training) or call 1-888-STAR-YES (1-888-782-7937)

Products that earn the ENERGY STAR prevent greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.  
www.energystar.gov



CHANGE OF THE  
BETTER WITH  
ENERGY STAR

### Life Cycle Cost Estimate for 1 ENERGY STAR Qualified Residential Refrigerator(s)

This energy savings calculator was developed by the U.S. EPA and U.S. DOE and is provided for estimating purposes only. Actual energy savings may vary based on use and other factors.

Enter your own values in the gray boxes or use our default values.

#### Annual and Life Cycle Costs and Savings for 1 Residential Refrigerator(s)


	1 ENERGY STAR Qualified Unit(s)	1 Conventional Unit(s)	Savings with ENERGY STAR
<b>Annual Operating Costs</b>			
Energy costs	\$35	\$41	\$6
<b>Total</b>	<b>\$35</b>	<b>\$41</b>	<b>\$6</b>
<b>Life Cycle Costs*</b>			
Energy costs	\$350	\$411	\$62
Purchase Price for 1 unit(s)	\$1,409	\$1,070	-\$30
<b>Total</b>	<b>\$1,759</b>	<b>\$1,481</b>	<b>\$32</b>
	Simple payback of initial additional cost (years) <sup>†</sup>		4.9

\* Annual costs exclude the initial purchase price. All costs, except initial cost, are discounted over the products' lifetime using a real discount rate of

† A simple payback period of zero years means that the payback is immediate.

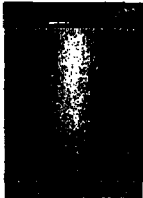
#### Summary of Benefits for 1 Residential Refrigerator(s)


Initial cost difference	\$30
Life cycle savings	\$62
Net life cycle savings (life cycle savings - additional cost)	\$32
Simple payback of additional cost (years)	4.9
Life cycle energy saved (kWh)	6,228
Life cycle air pollution reduction (lbs of CO <sub>2</sub> )	7,473
Air pollution reduction equivalence (number of cars removed from the road for a year)	0.65
Air pollution reduction equivalence (acres of forest)	1.02
Savings as a percent of retail price	3%





## ENERGY STAR® SALES ASSOCIATE TRAINING

### Dishwashers



 Learn more at [energystar.gov](http://energystar.gov)


## What is ENERGY STAR?

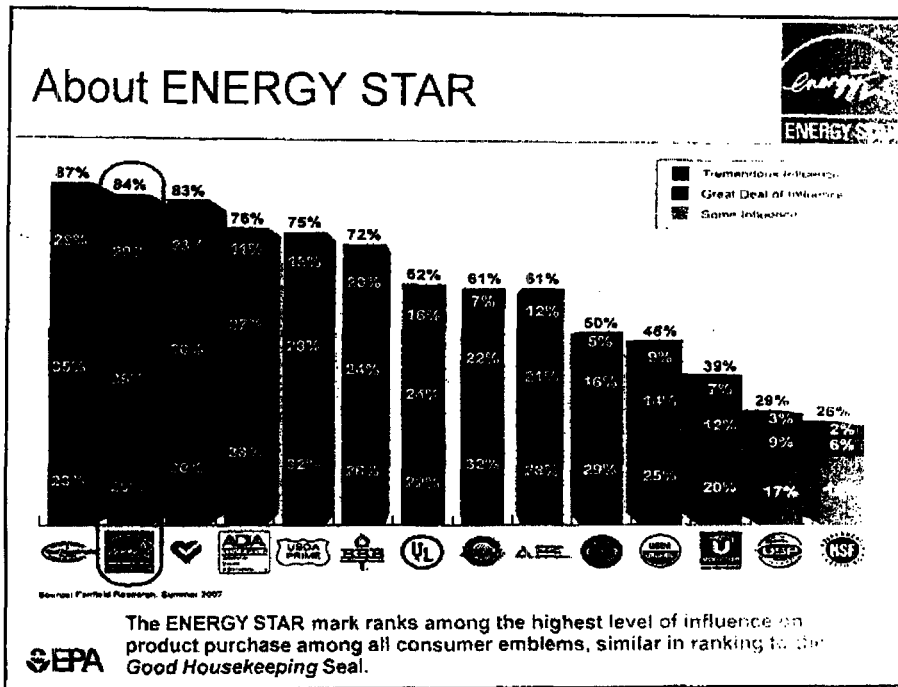


ENERGY STAR is a government-backed program that helps consumers identify energy-efficient products.

ENERGY STAR qualified products:

- Save energy
- Save money
- Save the environment





## ENERGY STAR Sales Value


Consumer awareness and desire for efficiency savings is high.

- In 2007, more than 70% of households nationwide recognized the ENERGY STAR label.
- Of households that purchased ENERGY STAR products in the past year:
  - More than 70% of them reported the label as influential to their purchasing decision.
  - More than 80% of them reported they are likely to recommend ENERGY STAR products to friends.
- In 2007 alone, Americans—with the help of ENERGY STAR—saved \$16 billion on their energy bills and prevented greenhouse gas emissions equivalent to the annual emissions of 27 million vehicles.

SOURCES: EPA Office of Air and Radiation, Climate Protection Partnerships Division, National Awareness of ENERGY STAR, 2007; U.S. Environmental Protection Agency, Household Survey, U.S. EPA, 2007 ENERGY STAR Overview of 2007 Achievements, April 2008





## ENERGY STAR Dishwasher Criteria




**Meeting the ENERGY STAR Criteria**  
Qualified dishwashers must be at least 41% more energy efficient than the minimum federal standard.

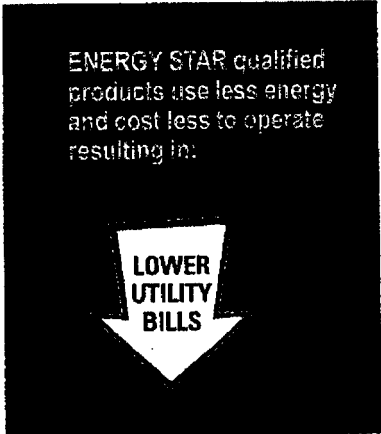
Dishwasher energy efficiency is measured by Energy Factor (EF), which includes the energy used by the washer and the energy used to heat the water, and is expressed in cycles per kWh. The higher the EF, the more efficient the dishwasher.



## Saving Energy = Saving Money




ENERGY STAR qualified products use less energy and cost less to operate resulting in:

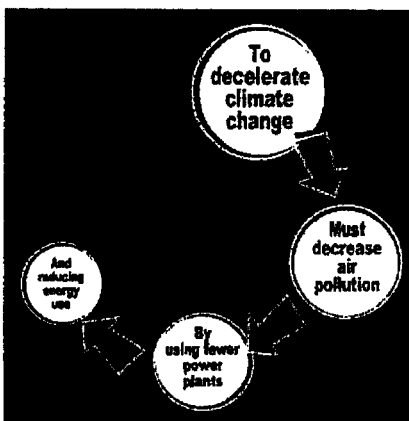


- Qualified dishwashers feature advanced technologies that reduce energy and water consumption and improve performance.
- A qualified dishwasher uses less hot water compared to a new conventional model and saves about \$90 over its lifetime.\*

\*Source: Department of Energy



## Saving Energy Helps Protect the Environment



- By using less energy, qualified dishwashers help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants.
- By reducing water consumption, they also help protect our lakes, streams, and oceans.



## ENERGY STAR Dishwasher Technology



Many ENERGY STAR qualified dishwashers feature technical innovations that improve efficiency and performance.

- Internal water heaters that reduce water heating costs
- Soil sensors that customize the wash cycle based on each load
- High-pressure jets that eliminate the need to pre-rinse dishes
- More efficient motors and precise controls and settings

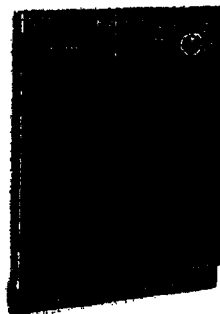


## ENERGY STAR Qualified Brands



Trusted brands like these...

- Whirlpool
- GE
- Kenmore
- Maytag
- Frigidaire



[Customize as appropriate]



## ENERGY STAR As Your Sales Partner



- **Create Business Value**
  - Differentiation
    - Arm your staff with knowledge
    - Provide your customers products of choice
  - Grow your customer base
    - Attract and retain customers—help your customers save money and watch them keep coming back
  - Partner with ENERGY STAR and increase sales and customer loyalty by providing energy savings and environmental benefits
- **Create Social Value**
  - Reducing energy use helps decelerate climate change by preventing greenhouse gas emissions
  - Lower energy bills for consumers and businesses
  - Boost your brand's environmental image



## ENERGY STAR Dishwashers Overview



### ENERGY STAR:

The government-backed program dedicated to helping consumers protect the planet through superior energy efficiency. Look for the ENERGY STAR label on qualified dishwashers.

### ENERGY STAR qualified dishwashers:

- Are at least 41% more energy efficient than the minimum federal standard.
- Use less hot water than new conventional models, saving about \$90 over the lifetime of a unit.\*
- Offer energy-efficient features like internal water heaters and high-pressure jets.
- Help prevent global warming by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants.
- Help protect our lakes, streams, and oceans by reducing water consumption.

\*Source: U.S. Department of Energy



## ENERGY STAR TRAINING CENTER



A user-friendly and easily navigable micro-site containing training tools for partners. Users can navigate throughout three main categories to find training resources relevant to them: **products, campaigns, utilities/energy efficiency program sponsors**

### Benefits:

- **EASY:** Access to all ENERGY STAR training materials and resources on your own time.
- **ACCURATE:** The most current training materials to share with your sales associates for increasing the sale of ENERGY STAR qualified products and services.
- **RELEVANT:** A location for collaboration and idea exchange with other partners.

To LEARN MORE, visit the ENERGY STAR Training Center page at:





LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR is a U.S. Environmental Protection Agency program that identifies products that save energy and protect our environment. For more information, visit [energystar.gov](http://energystar.gov).

## ENERGY STAR Qualified Dishwashers AT A GLANCE

### What is ENERGY STAR?

- The U.S. government-backed symbol of energy efficiency.
- A program dedicated to identifying products that save energy without sacrificing performance.

### Why Buy ENERGY STAR Qualified Dishwashers?

#### Save energy

- On average, ENERGY STAR qualified dishwashers are **20% more energy efficient** than non-qualified models.
- Dishwasher energy efficiency is measured by Energy Factor (EF), which includes machine electrical energy and energy used to heat the water, and is expressed in cycles per kWh. The higher the EF, the more efficient the dishwasher.

#### Save money

- Because they use less hot water than a conventional new model, a qualified dishwasher **saves about \$90** over its lifetime.

#### Save the environment

- By using less energy, qualified dishwashers **reduces greenhouse gas emissions** caused by burning fossil fuels at power plants.
- By reducing water consumption, they **help protect our lakes, streams, and oceans.**

### Energy Fact:

- If every refrigerator, dishwasher and clothes washer purchased in the United States this year were ENERGY STAR qualified, we would prevent greenhouse gas emissions equivalent to the emissions from 370,000 cars.

### Share These Tips with Your Customers

Choosing ENERGY STAR qualified dishwashers helps you save energy by incorporating high-efficiency features such as:

- Internal water heaters that reduce water heating costs
- High-pressure jets that eliminate the need to pre-rinse dishes
- Soil sensors that customize the wash cycle based on each load More efficient motors and precise controls and settings

Customers can save even more by:

- Running the dishwasher with a full load. Since you can't decrease the amount of water used per cycle, fill your dishwasher to get the most from the energy used to run it.
- Avoid using the heat-dry, rinse-hold and pre-rinse features. Instead use your dishwasher's air-dry option.

To LEARN MORE about ENERGY STAR and Qualified Products:  
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\*Source: U.S. Department of Energy



LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR, a U.S. Environmental Protection Agency program, helps consumers choose products that save energy and protect our environment through better design and practices. For more information, visit [energystar.gov](http://energystar.gov).

## Promoting ENERGY STAR Qualified Dishwashers

### What is ENERGY STAR?

ENERGY STAR is the government-backed symbol for energy efficiency. It identifies products in more than 50 categories, including dishwashers, that use less energy without sacrificing performance or quality. ENERGY STAR qualified products are an easy, convenient solution to energy and cost concerns.

ENERGY STAR qualified products:

- Save energy
- Save money
- Save the environment

### How do dishwashers earn the ENERGY STAR?

Qualified dishwashers must be at least 41% more energy efficient than the minimum federal standard. Dishwasher energy efficiency is measured by Energy Factor (EF), which includes machine electrical energy and energy used to heat the water, and is expressed in cycles per kWh. The higher the EF, the more efficient the dishwasher.

### Why sell ENERGY STAR qualified dishwashers?

- In 2007, more than 70% of households nationwide recognized the ENERGY STAR label.
- ENERGY STAR qualified dishwashers are on average 20% more efficient than non-qualified models.
- By reducing energy and water consumption, qualified dishwashers help lower utility bills, saving about \$90 over its lifetime.\*
- By using less energy, qualified dishwashers reduce greenhouse gas emissions caused by burning fossil fuels at power plants. By reducing water consumption, they help protect our lakes, streams, and oceans.
- Many qualified dishwashers feature technical innovations that reduce energy and water consumption and improve performance, including:
  - Internal water heaters that reduce water heating costs
  - High-pressure jets that eliminate the need to pre-rinse dishes
  - Soil sensors that customize the wash cycle based on each load
  - More efficient motors and precise controls and settings

### What in-store promotion ideas are available?

- Print and place ENERGY STAR hang tags on all displayed qualified models.
- Co-brand a poster or banner with a retailer or manufacturer.
- Distribute window decals for display on retailers' windows.
- Use an in-store or event banner to draw attention to a display of all your qualified energy-efficient products.
- Offer sales associate training on qualified products.
- Reach a broader audience by using marketing materials available in Spanish.

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\*Source: Department of Energy



INNOVATION. PERFORMANCE. SAVINGS.  
ENERGY STAR® Makes It Simple.

**DISHWASHERS**  
2007 PARTNER RESOURCE GUIDE

## SECTION I: CONSUMER INFORMATION



LEARN MORE AT  
[energystar.gov](http://energystar.gov)

ENERGY STAR is a government-backed program that helps consumers identify the most energy-efficient products.

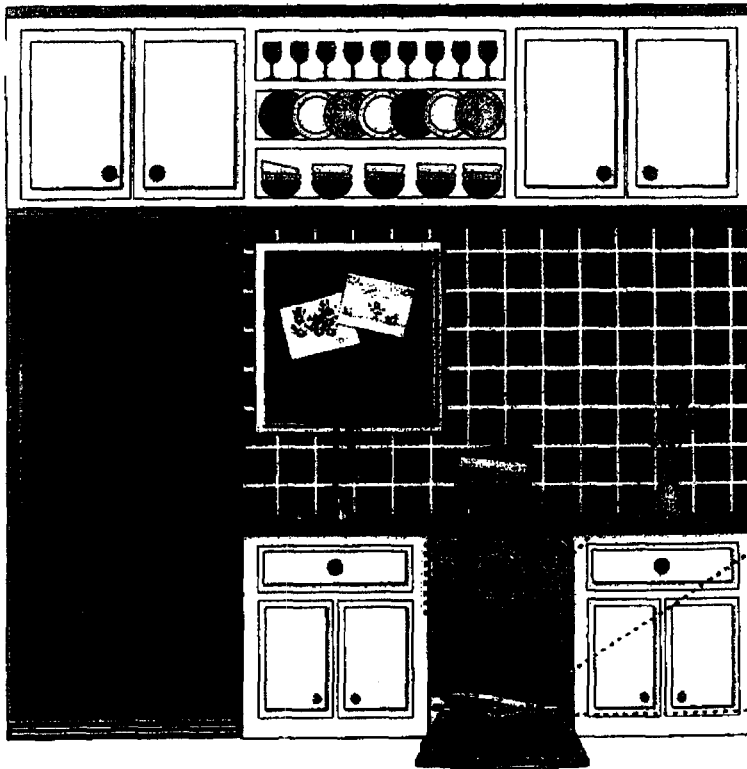
This document is designed to help partners promote ENERGY STAR qualified dishwashers by highlighting the benefits of an ENERGY STAR qualified dishwasher instead of washing dishes by hand.

- Section I includes the latest consumer news, benefits, fun facts, and features.
- Section II summarizes the most recent data on dishwasher energy share, ENERGY STAR criteria, energy savings, and more.

### ADVANCED TECHNOLOGY

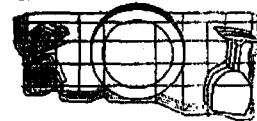
ENERGY STAR qualified dishwashers have improved dramatically over the last decade. New ENERGY STAR qualified models include several technological innovations that reduce energy and water consumption and improve performance, including soil sensors, more efficient jets, and innovative dish rack designs.

## TECHNOLOGY SAVES YOU MONEY



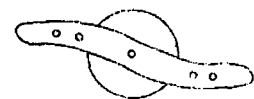
### INNOVATIVE RACK

Maximize cleaning by strategically arranging the dishes.



### MORE JETS

Use less energy to spray the dishes with more jets.



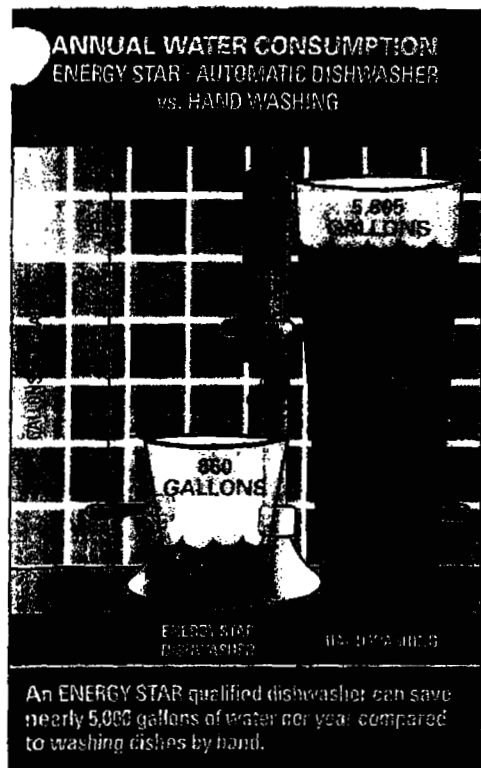
### SOIL SENSORS

Test how dirty the dishes are throughout the wash and adjust the cycle to achieve best results, saving with minimum water and energy use.



SECTION I: CONSUMER INFORMATION

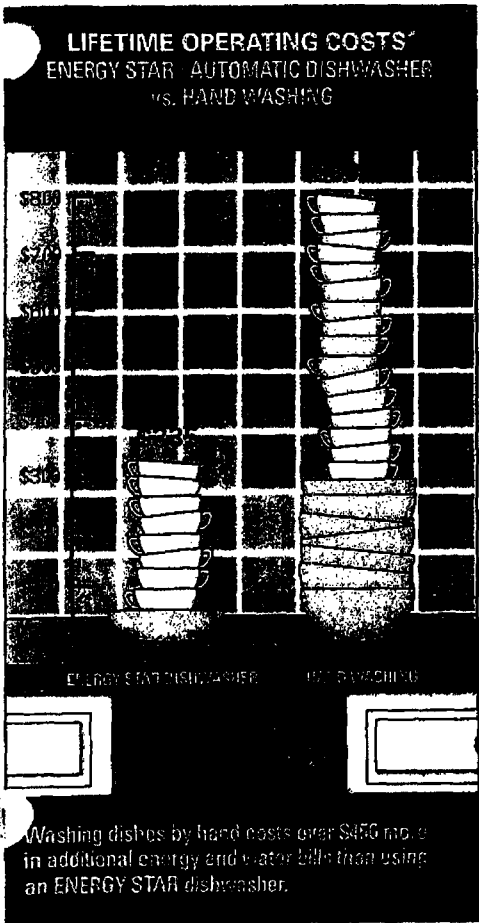




## DOLLAR SAVINGS AND OTHER BENEFITS

If you still wash your dishes by hand, you're probably wasting more than just your valuable time.

- **SAVE MONEY**  
 Using an ENERGY STAR qualified dishwasher instead of washing dishes by hand can cut utility bills by more than \$40 per year.
- **SAVE TIME**  
 Using an ENERGY STAR qualified dishwasher will save over 200 hours of personal time over the course of a year. That's almost 10 extra days! Instead of scrubbing and rinsing each individual dish, ENERGY STAR dishwashers require you to simply load the dishes and press start.
- **BETTER CLEANING**  
 A number of ENERGY STAR qualified dishwasher features result in better cleaning. For example, ENERGY STAR qualified dishwashers heat water temperatures to 140 degrees—well above scalding temperatures. Washing dishes with hotter water allows for improved disinfection compared to washing by hand at much lower temperatures.
- **MORE QUIET TIME**  
 More insulation and better components mean that ENERGY STAR qualified dishwashers run quieter than older models—over 50% quieter than models produced 10 years ago!
- **SAVE ENERGY**  
 A new ENERGY STAR qualified dishwasher uses less than half as much energy as washing dishes by hand.
- **SAVE WATER**  
 A new ENERGY STAR qualified dishwasher saves nearly 5,000 gallons of water per year, compared to washing dishes by hand.
- **SAVE THE ENVIRONMENT**  
 Because they use less energy, these products reduce air pollution and greenhouse gases caused by burning fossil fuels. By reducing water consumption, they also help protect our lakes, streams and oceans.



**LEGEND**

= WATER COSTS    = ENERGY COSTS

\*Assumes average dishwasher lifetime of nine years.

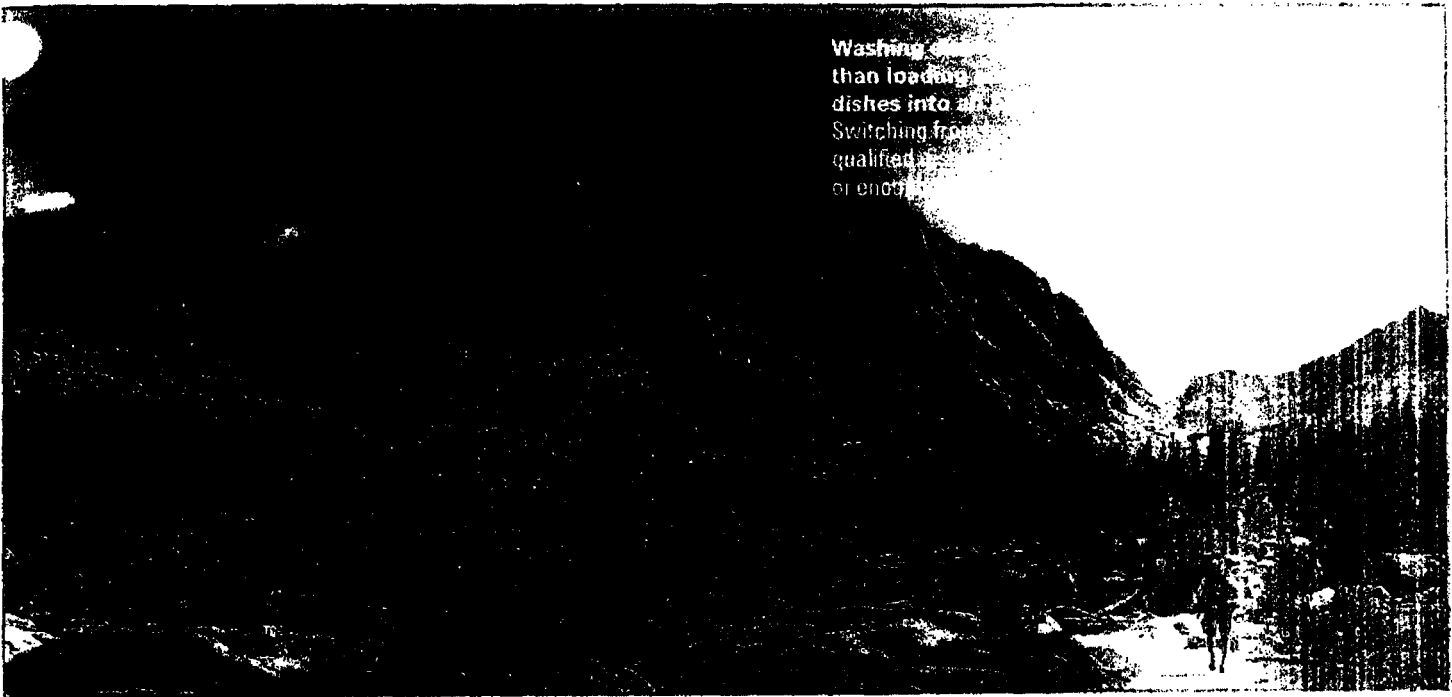
**GETTING THE MOST FROM YOUR DISHWASHER**

- **SCRAPE DON'T RINSE**  
Rinsing dishes can use up to 20 gallons of water before the dishes are even loaded. Save yourself the rinsing—just scrape food off the dishes. ENERGY STAR qualified dishwashers and today's detergents<sup>1</sup> are designed to do the cleaning so you don't have to. If your dirty dishes are going to sit overnight, use your dishwasher's rinse feature. It uses a fraction of the water needed to hand rinse.
- **LOAD IT FULL**  
Most dishwashers use about the same amount of energy and water regardless of how full they are. Fill your dishwasher to capacity to get the most out of the energy and water you're using.
- **GET GOOD DRYING RESULTS WITH LESS ENERGY**  
Use a rinse agent for drying instead of the heated dry feature.



Scrape food off of dishes instead of rinsing them before loading the dishwasher. Rinsing uses up to 20 gallons of water per cycle.

<sup>1</sup> Many dishwasher detergents now contain enzymes to break down stuck-on soils and soil suspension ingredients so dishes come off more easily.



Washing dishes is  
 than loading  
 dishes into a  
 Switching from  
 qualified  
 or energy

## FUN FACTS<sup>2</sup>

Using an ENERGY STAR qualified dishwasher instead of hand washing saves nearly **5,000 gallons** of water a year. Over the 11-year life of the dishwasher, that's enough water to:

- wash your car 530 times
- take over 2,000 showers
- provide a lifetime of drinking water for 100 people
- fill two backyard swimming pools

ENERGY STAR qualified dishwashers save **more than \$40** over washing dishes by hand. Over the 11-year life of the dishwasher, that's enough money to buy:

- a new ENERGY STAR dishwasher
- 95 boxes of dishwasher detergent (or enough detergent to do the dishes for more than its expected lifetime)
- two iPods
- two six megapixel digital camera
- 70 movie tickets
- a new toaster oven, counter top blender, coffee maker and coffee maker
- a complete set of new cookware, silverware, silverware and glassware

ENERGY STAR qualified dishwashers save almost **230 hours** per year compared to hand washing dishes. That's enough time to:

- take a 10-day vacation
- drive cross-country six times
- fly cross-country 47 times
- bike the Tour de France three times
- spend two hours gardening every day for 100 days
- take your family to 93 baseball games

Hand washing water consumption estimates and time estimates are based on data from the University of Bonn, 2004.

## SECTION II : MARKET DATA



### PERFORMANCE IMPROVEMENTS<sup>2</sup>

PERFORMANCE DIMENSION	PERCENT IMPROVEMENT (1993-2003)
CLEANING SCORES	16%
USABLE CAPACITY	15%
WATER USAGE	30%
ELECTRICITY USAGE	27%
SOUND LEVELS	50%

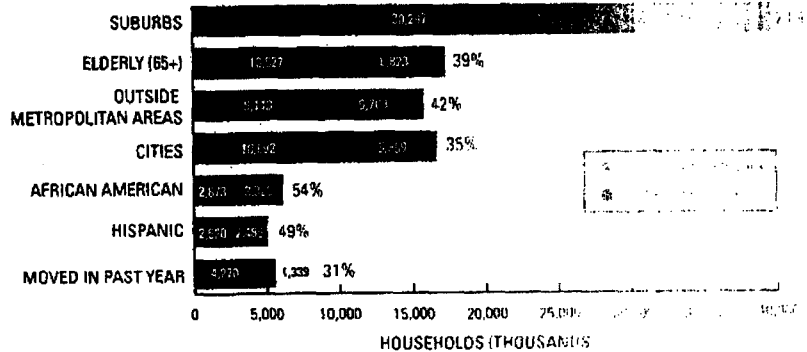
Many consumers that dislike automatic dishwashers due to bad experiences in the past are unaware of the dramatic improvements over the last 10 years. Not only are today's dishwashers more resource efficient, they also clean better and make less noise.

### HOUSEHOLD SATURATION

Over 30% of U.S. owner-occupied households still do not own a dishwasher.<sup>3</sup> Some of these 22 million households simply do not have the space, but many consumers choose to hand wash because they don't realize that automatic dishwashers clean better and cost less to operate.

Some demographic groups, such as the elderly and the Hispanic population, are below the national average for dishwasher ownership, which presents an opportunity to develop more targeted marketing activities to reach these groups.

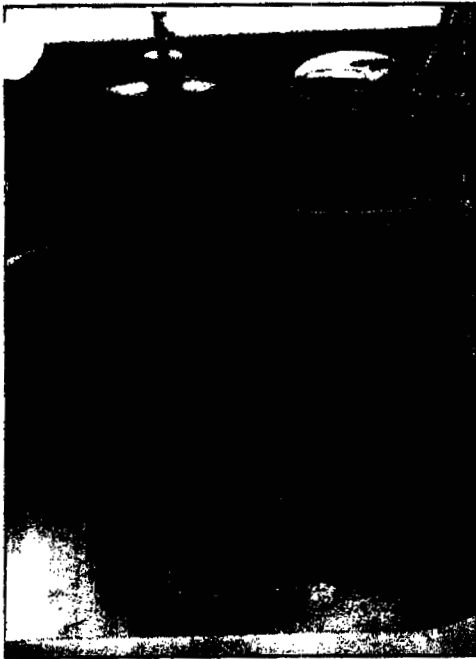
### PERCENT OF OWNER-OCCUPIED HOUSEHOLDS WITHOUT AN AUTOMATIC DISHWASHER



<sup>2</sup> Whirlpool Corporation, 2006.

<sup>3</sup> American Housing Survey, U.S. Census Bureau, 2003.

<sup>4</sup> Ibid.



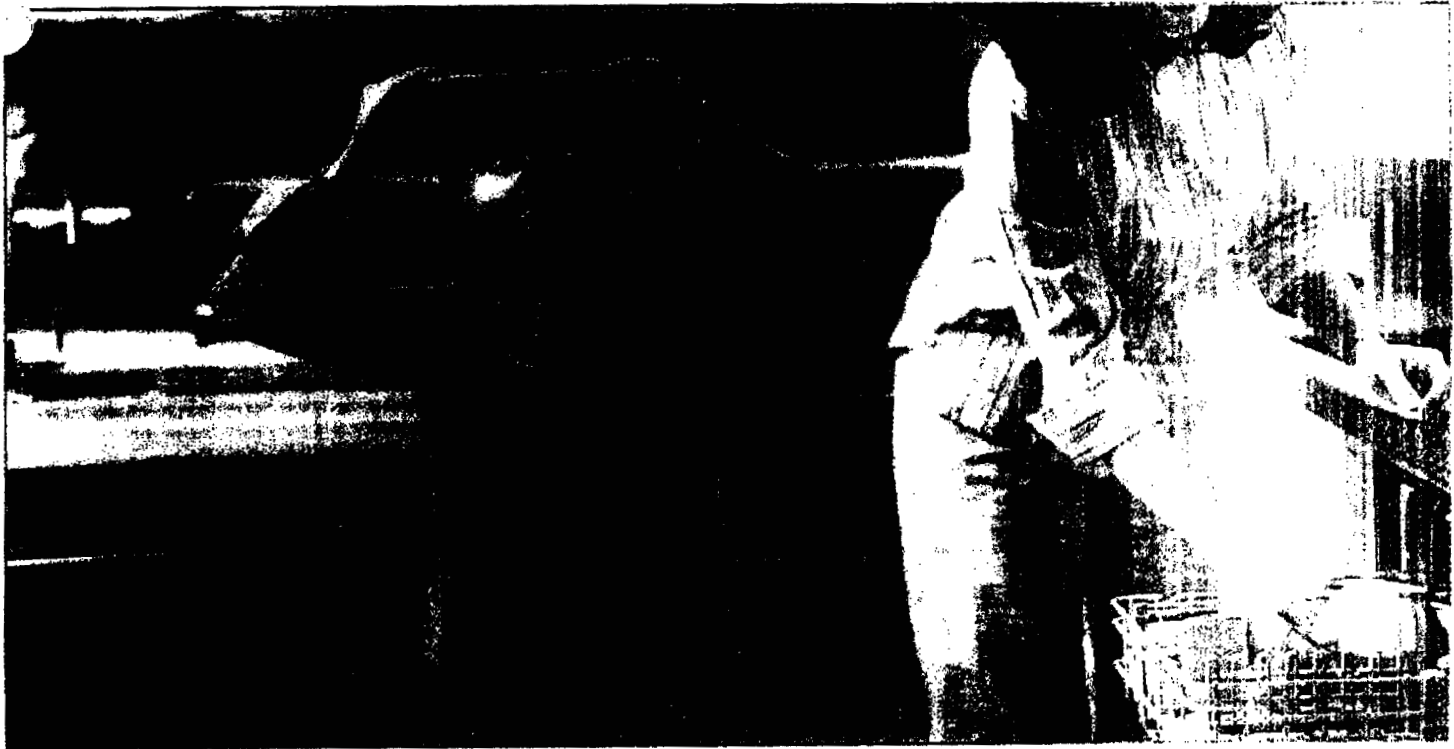
Washing dishes by hand may be costing you over \$450 in energy and water bills.

### ENERGY STAR CRITERIA

Dishwasher energy efficiency is measured by Energy Factor (EF), which includes machine electrical energy and energy used to heat the water, and is expressed in cycles per kWh. The higher the EF, the more efficient the dishwasher.

The new ENERGY STAR criteria for dishwashers took effect on January 1, 2007, and to meet it, models must be at least 41% more energy efficient than the minimum federal standard.

ENERGY STAR CRITERIA	
DISHWASHER TYPE	FEDERAL STANDARD EFFECTIVE 1/1/07
STANDARD ≥ 8 PLACE SETTINGS + 6 SERVING PIECES	EF ≥ 8.00
COMPACT ≤ 8 PLACE SETTINGS + 6 SERVING PIECES	EF ≥ 6.00



SECTION 17



## COST EFFECTIVENESS

- Average life = 11 years<sup>6</sup>
- Average cycles per year = 215
- ENERGY STAR price premium = \$30 – \$60
- Time to recover price premium = 2 – 6 years
- ENERGY STAR dishwasher price range = \$170 – \$1,750
- Regular dishwasher price range = \$160 – \$450<sup>7</sup>

## ENERGY STAR SAVINGS

The annual dollar savings of an ENERGY STAR qualified dishwasher compared to washing dishes by hand vary depending on which fuel a customer uses to heat their water. Homes that have a gas water heater—about 59% of U.S. households—will save an average of \$40 per year, whereas consumers that use electric water heating—41% of U.S. households—will save an average of \$46 per year. The national weighted average is \$42 per year.

SWITCHING FROM HAND WASHING TO AN ENERGY STAR DISHWASHER						
	GAS WATER HEATING			ELECTRIC WATER HEATING		
	ENERGY STAR DISHWASHER	HAND WASHING	SAVINGS	ENERGY STAR DISHWASHER	HAND WASHING	SAVINGS
ENERGY USE (therms/year)	6.5	28	21	N/A	28	21
ENERGY USE (kWh/year)	135	N/A	-135 <sup>8</sup>	307	172	135
WATER USE (gallons/year)	860	5,805	4,945	860	5,805	4,945
ENERGY AND WATER BILL (\$/year) <sup>11</sup>	\$27	\$67	\$40	\$35	\$81	\$46

BUYING A NEW ENERGY STAR DISHWASHER INSTEAD OF A REGULAR DISHWASHER						
	GAS WATER HEATING			ELECTRIC WATER HEATING		
	ENERGY STAR DISHWASHER	NON-QUALIFIED	SAVINGS	ENERGY STAR DISHWASHER	NON-QUALIFIED	SAVINGS
ENERGY USE (therms/year)	6.5	9	2.5	N/A	9	2.5
ENERGY USE (kWh/year)	135	158	23	307	342	35
WATER USE (gallons/year)	860	1,290	430	860	1,290	430
ENERGY AND WATER BILL (\$/year)	\$27	\$35	\$8	\$35	\$42	\$7

<sup>6</sup> Annual Portrait of the U.S. Appliance Industry, *Appliance Magazine*, September 2006.

<sup>7</sup> Based on data from national retailer Web sites, 2006.

<sup>8</sup> Ibid.

<sup>9</sup> Average household savings.

<sup>10</sup> For homes with gas water heating, installing a dishwasher will lead to an increase in electricity consumption (to operate the dishwasher) and a decrease in gas consumption (from reduced hot water needs). The net effect is a reduction in both total energy use (Btu) and total utility bills.

<sup>11</sup> Utility rates used to estimate dollar amounts are as follows: 10.19¢/kWh, \$1.46/therm (Source: U.S. Department of Energy, 2006); and \$0.0072/gallon (Source: Raftelis Water and Wastewater Rate Survey, 2004).



United States  
Department of Energy

For more information  
[www.energy.gov](http://www.energy.gov)  
1.888.ST.Energy







**Financial Overview Section**

Budgeted Activity

Total Cost \$15,000

Redwood	\$12,500
Brochures, Posters	\$2,500
Appliances	Purchased by FPU's Merchandising operations

**Cost Broken Down By Filing Category**

Category/Program	610/710							Category Total
Advertising	15000							15000
Materials & Supplies								0
Other								0
Outside/Contract Services								0
Travel								0
Program Total	15000	0	0	0	0	0	0	15000

**Cost Broken Down by Account Number**

Account Numbers	Account #	Subledger	Distribution %	or Dollar Amount
121.4010.909		970251	50	\$ 7,500
121.4010.909		970651	50	\$ 7,500
				\$
				\$
				\$
				\$
				\$
				\$

**Advertising**

**Purpose/Objective of Advertisement** - Provide educational information about high efficiency appliances. Educational material should have hi end look and feel. A major objective of the kitchen is to challenge the myth that energy efficient products sacrifice performance and looks to achieve energy efficiency.

Potential Media: - (Check all that apply)    TV/Cable    Radio    Print    Outdoor  
Direct Mail    Internet    Flyer    Brochure    Point-of- Sale

Other - Please describe: In-door educational posters(inserted into cabinets glass door)

Specifications - Please describe details (i.e.: size, color, kind of paper/stock, etc.)

Posters - high gloss finish, sized for glass in doors, color complementary to cherry cabinet finish.

Brochure/folder - high gloss finish, 4 .25 X 8.5, dual pockets, scalloped & tiered information focusing on features that make various appliances energy efficient.

Quantity: 6 posters, 500 brochure/folders

Special instructions or delivery info: \_\_\_\_\_

Is this Advertising Budgeted?     YES     No

Itemized Cost - List total or estimated cost; account numbers and allocation break down: \$ 2,500

Item                      Cost

Total                      0

**Cost Broken Down by Account Number**

Account Numbers	Account #	Subledger	Distribution %	or Dollar Amount
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$

**Target Audience** - Who are you trying to reach with your message? Please list demographic information and any other details known about your target audience, (i.e.: age, gender, race, lifestyle, income level, etc.): The environmentally interested.

**Additional Advertising (Continued)**

**Tracking** - How will you track the effectiveness of your project? (i.e.: surveys, coupons, free gift with ad, by increased sales figures, by response, etc.): \_\_\_\_\_

**Special Offers** - If any special offers are involved, please list: none

**Time-Line** - *Start and End Dates, etc.:*

**Due Date:** September 15<sup>th</sup>, 2007

**Mandatory Disclosures** - *Any mandatory information that must be included, (i.e.: Legal disclosures, footnotes, disclaimers, etc.):* Primarily for advertising or print.

\_\_\_\_\_

\_\_\_\_\_

**Concept or Theme** – *Headline, theme, photos:* Energy efficiency is looking good, good looking.

**Photos or Artwork** – *Type of photos or artwork needed:*

\_\_\_\_\_

**Copy** – *Text or pertinent information to be included in advertisement:* To be developed.

\_\_\_\_\_

**Filter for Conservation Advertising** – Describe how this activity will maintain compliance with Florida Public Service Commission Guidelines for advertising and promotional expenses. Specifically, the advertisement (Ad, Promotional Item, Etc.) must be directly related to our PSC approved programs and pass the following filter. ALL ITEMS Must Be Clearly Explained.

1. Does the adv identify or address a specific problem? (I.e. Energy Costs Rising?)
    - Appliance efficiency, Resource utilization efficiency.
  2. Does the adv state how to correct the problem? (i.e. Upgrade HVAC, Insulation, Etc.)
    - \_\_\_\_\_
    - \_\_\_\_\_
    - \_\_\_\_\_
  3. Is the adv related to an approved conservation program? (i.e. Rebates; GCents Home; Energy Survey)
    - 701, 702, & 706.
  4. Does the ad provide direction concerning how to obtain help to alleviate the problem? (i.e. FPU phone number, GoodCents email, Bldr/Dealer Referral List, Website, Etc.)
    - \_\_\_\_\_
- \_\_\_\_\_

**Schedule, Calendar or "To Do" list as necessary**

Outline schedule and description of key deliverables, and/or features included in a sponsorship package.

Done	Description	Complete by	Deliver to / Date
------	-------------	-------------	-------------------

1.  Obtain multiple bids

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

**AUDIT FINDING NO. 1**

**SUBJECT: DEMO KITCHEN**

**AUDIT ANALYSIS:** An invoice paid to Relwood Installation Corp in September 2007 for \$6,250 was for a demo kitchen. It was charged to account 121.4010.909 – West Palm Advertising expense. The kitchen is in the front of the gas appliance showroom in the West Palm Beach office building and appears to be part of the appliance sales display.

According to the company strategy brief, "the Energy Star kitchen contributes to conservation by promoting efficient use of energy efficient appliances. The kitchen creates an educational environment to engage customers in exploring the various features of an appliance that make the appliance more energy and/or resource efficient. One of the major myths of energy efficiency is that energy efficient products sacrifice looks and performance to achieve efficiency. The high end look of the kitchen and appliances demonstrate that energy efficiency and style are not mutually exclusive."

The kitchen also benefits appliance sales and may be more appropriately recorded below the line.

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.

**FPU's Response:**

In an effort to promote energy efficiency and FPU's Natural Gas Conservation Appliance Rebate Programs, FPU decided to construct a kitchen with Energy Star appliances to communicate this message. The goal in creating FPU's Energy Star kitchen was to dispel the myth that a customer must be willing to sacrifice looks and performance to achieve energy efficiency. By creating an Energy Star Kitchen with a high end look, FPU demonstrates to our customers that energy efficiency and style are not mutually exclusive.

Additionally, the Energy Star Kitchen promotes energy efficiency by utilizing the brand recognition of the Energy Star label as a means to visually promote our customers to purchase appliances with the highest energy ratings.

Lastly, FPU also engaged in creating the Energy Star kitchen as a means to communicate to our customer that FPU has officially become a member of the joint venture between the Environmental Protection Agency and the Department of Energy's Energy Star program.

# ENERGY STAR® Partnership Agreement

## For Home Energy Raters



### CONTACTS

Please provide the name, contact information, and mailing address of at least one contact person. At least one person must be designated as a "Primary Contact." Contact information for the Authorized Company Representative or "Signatory" who signs this Partnership Agreement must be included here. The Signatory can be the same as the Primary Contact.

1. Full Name: John Costlow  Primary Contact  
 Title: Manager, Energy Conservation Role in Organization: Energy Conservation  
 Use organization address as contact address Primary Phone: (561) 366-1505 ext: \_\_\_\_\_  
 Address: \_\_\_\_\_ FAX Number: (561) 366-1575  
 Secondary Phone: (561) 223-3518 ext: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  Home  Work  Mobile  
 Email Address: (required for access to ENERGY STAR Partner-only resources): jcstlow@fpoc.com

2. Full Name: Marc Seagrave  Primary Contact  
 Title: Director of Marketing Role in Organization: \_\_\_\_\_  
 Use organization address as contact address Primary Phone: (561) 838-1714 ext: \_\_\_\_\_  
 Address: \_\_\_\_\_ FAX Number: (561) 366-1580 ext: \_\_\_\_\_  
 Secondary Phone: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  Home  Work  Mobile  
 Email Address: (required for access to ENERGY STAR Partner-only resources): mseagrave@fpoc.com

3. Full Name: Laura Scotton  Primary Contact  
 Title: Mgr, Mkt Comm Role in Organization: Advertising/Communication  
 Use organization address as contact address Primary Phone: (561) 650-8433 ext: \_\_\_\_\_  
 Address: \_\_\_\_\_ FAX Number: (561) 838-1750 ext: \_\_\_\_\_  
 Secondary Phone: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  Home  Work  Mobile  
 Email Address: (required for access to ENERGY STAR Partner-only resources): lscotton@fpoc.com

Authorized Company Representative: This Partnership Agreement represents a binding agreement by the submitting organization. Signing below indicates that you have read and understand the terms of this Partnership Agreement and are authorized to bind this organization to the terms of this Partnership Agreement.  
 Printed Name: Walter S. Seagrave Signature: [Signature] Date: 3/12/07

To be Completed by US EPA  
 Kathleen Hogan: Director, Climate Protection Partnerships Division, U.S. Environmental Protection Agency  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mail this form to: ENERGY STAR for Homes or Fax this form to: 202-343-2200  
 US EPA (mail code 6202J)  
 1200 Pennsylvania Ave., NW  
 Washington DC, 20460

For more information, please call the ENERGY STAR Hotline at 1-888-STAR-YES or visit: [www.energystar.gov/homes](http://www.energystar.gov/homes)

# ENERGY STAR® Partnership Agreement

## For Home Energy Raters (Supporting Information)



### ENERGY STAR Background Information

EPA's ENERGY STAR helps consumers, businesses, and public organizations protect the environment through superior energy efficiency. ENERGY STAR for Homes promotes energy-efficient homes that can improve builder profitability, improve home quality and homeowner comfort, lower energy demand, and reduce air pollution. ENERGY STAR qualified homes are third-party verified to be significantly more energy efficient than homes built to code.\* Savings are typically achieved through a combination of envelope upgrades, high performance windows, controlled air infiltration, upgraded heating and air conditioning systems, tight duct systems, upgraded water-heating equipment, and efficient lighting and appliances.

\* Please visit the ENERGY STAR Web site at [www.energystar.gov](http://www.energystar.gov) for information on current ENERGY STAR guidelines.

### ENERGY STAR's Commitments to Partners

1. Increase awareness of the ENERGY STAR label by distributing key messages on the benefits of ENERGY STAR qualified homes and homes-related products.
2. Provide current ENERGY STAR news, information, and reference documents (via the ENERGY STAR Web site, Hotline, e-mail or other means).
3. Provide ENERGY STAR Partners with public recognition for their involvement in ENERGY STAR and role in protecting the environment through the online ENERGY STAR Partner Locator Tool, special awards, and other media.
4. Respond swiftly to any Partner requests for information or clarification on ENERGY STAR policies.

### General Commitments for ENERGY STAR Partners

1. Use the Partnership and the ENERGY STAR label to promote energy efficiency as an easy and desirable option for new homebuyers to prevent pollution, protect the environment, and save money on energy bills.
2. Adhere to the ENERGY STAR Identity Guidelines (available at [www.energystar.gov/marks](http://www.energystar.gov/marks)) and ensure that authorized representatives, such as advertising agencies, distributors, and subcontractors, also comply.
3. Adhere to the ENERGY STAR Web Linking Guidelines (available at [www.energystar.gov/partners](http://www.energystar.gov/partners)). Failure to do so can result in the loss of linking privileges from the ENERGY STAR Web site.
4. Build or label at least one ENERGY STAR qualified home within any ongoing 12-month period. Partners not fulfilling this requirement will be deemed 'inactive,' thereby forfeiting all rights to the ENERGY STAR name and mark, their listing on the online ENERGY STAR Partner Locator Tool, and any inclusion in ENERGY STAR promotional materials.
5. Affix an ENERGY STAR label to all homes that are independently verified to meet the ENERGY STAR performance guidelines.

### Commitments for Home Energy Raters

1. ACCREDITED HERS or BOP PROVIDERS: Submit quarterly reports to ENERGY STAR, specifying the number of homes verified as meeting ENERGY STAR performance guidelines.

### General Terms and Disclaimers

1. The Partner will not construe, claim, or imply that its participation in ENERGY STAR constitutes federal government approval, acceptance, or endorsement of anything other than the Partner's commitment to ENERGY STAR. Partnership does not constitute federal government endorsement of the Partner or its homes or services.
2. The Partner understands that the activities it undertakes in connection with ENERGY STAR are voluntary and not intended to provide services to the federal government. As such, the Partner will not submit a claim for compensation to any federal agency.
3. The Partner and ENERGY STAR will assume good faith as a general principle for resolving conflict and will seek to resolve all matters informally, so as to preserve maximum public confidence in ENERGY STAR.
4. This agreement is voluntary and can be terminated by either party at any time for any reason, with no penalty.
5. Failure to comply with any of the terms of this Partnership Agreement can result in its termination and cessation of access to the benefits of ENERGY STAR, including use of the marks.
6. ENERGY STAR will actively pursue resolution of noncompliance related to the use of the ENERGY STAR marks.





Partnership Agreement between  
ENERGY STAR®  
and  
Florida Public Utilities Company  
an ENERGY STAR® Partner

Through this agreement, Florida Public Utilities Company ("ENERGY STAR Partner") joins in partnership with ENERGY STAR in one or more areas. ENERGY STAR Partner recognizes ENERGY STAR as a broad partnership designed to promote buildings, products, and homes that use less energy while providing the same or better performance than conventional designs. ENERGY STAR Partner wishes to use the ENERGY STAR name and/or label in association with qualified products or homes. ENERGY STAR Partner agrees to use the partnership and the ENERGY STAR label to promote energy efficiency as an easy and desirable option for organizations and consumers to prevent pollution, protect the global environment, and save on energy bills. ENERGY STAR Partner agrees that it is important to build and maintain the meaning of the ENERGY STAR label as a trustworthy symbol that makes it easy to make a difference for the environment while saving money.

### Partner Commitments

ENERGY STAR Partner is committed to taking action in the area(s) indicated on the ENERGY STAR Commitment Form. For the designated program area(s), ENERGY STAR Partner agrees to fulfill all requirements as outlined in the following supporting documents.

- ENERGY STAR Program Requirements, defining requirements for being recognized as a partner in each program area, such as manufacturing, selling, or promoting ENERGY STAR labeled products to consumers or organizations. Specific requirements include identifying a responsible party for each area of participation and updating ENERGY STAR on the efforts undertaken through the partnership. Where applicable, these include ENERGY STAR eligibility criteria defining the energy and other performance specifications that must be met for use of the ENERGY STAR label on and/or in association with buildings, homes, and products; and
- ENERGY STAR Logo Use Guidelines, describing how the ENERGY STAR name and label may be used. Partner will adhere to these guidelines and ensure that its authorized representatives, such as advertising agencies, dealers, and distributors, are also in compliance.

ENERGY STAR will undertake a variety of efforts to build awareness of the ENERGY STAR name and label, maintain the credibility of the ENERGY STAR label and name, and promote the benefits of energy-efficient homes, buildings, and products. ENERGY STAR will strive to:

- increase awareness of the ENERGY STAR label and name across the residential and commercial sectors by distributing key messages on the benefits of ENERGY STAR qualified buildings, homes, and products;
- make current versions of ENERGY STAR Logo Use Guidelines and ENERGY STAR Program Requirements easily accessible through the Internet and other means;
- maintain a web site where ENERGY STAR Partner can furnish information on its program efforts and responsible key contacts as outlined in the ENERGY STAR Program Requirements; and
- provide ENERGY STAR Partner with public recognition through the web and other mechanisms for its efforts in the ENERGY STAR Partnership and its role in protecting the environment.

## Disclaimers

Partner will not construe, claim, or imply that its participation in the ENERGY STAR program constitutes federal government approval, acceptance, or endorsement of anything other than Partner's commitment to the program. Partner understands its participation in the ENERGY STAR program does not constitute federal government endorsement of Partner or its buildings, homes, or products. Partner understands that the activities it undertakes in connection with the ENERGY STAR program are voluntary and not intended to provide services to the federal government. As such, Partner will not submit a claim for compensation to any federal agency.

## Dispute Resolution

Partner and ENERGY STAR will assume good faith as a general principle for resolving conflicts under the ENERGY STAR program. Both parties will endeavor to resolve all matters informally, so as to preserve maximum public confidence in ENERGY STAR.

In the event informal channels do not produce a mutually agreeable resolution to a matter in dispute, either party to this agreement shall notify the other in writing as to the nature of the dispute, the specific corrective action sought and their intent to terminate the Partnership Agreement, either as a whole or in part, unless specific corrective actions sought are undertaken:

- within 20 days of receiving formal notification from ENERGY STAR indicating intent to terminate the Partnership Agreement, either as a whole or in part, Partner will reply, agreeing to either (1) undertake in a timely and effective manner the corrective actions sought by ENERGY STAR, or (2) terminate the Partnership Agreement, either as a whole or in part;
- within 20 days of receiving formal notification from Partner indicating its intent to terminate the Partnership Agreement, either as a whole or in part, ENERGY STAR will reply, either (1) agreeing to undertake in a timely and effective manner the corrective actions sought by Partner, or (2) explaining why such corrective actions cannot be undertaken;
- if Partner fails to respond within 20 days of receiving formal notification of ENERGY STAR's intent to terminate the Partnership Agreement, either as a whole or in part, or if Partner responds but does not agree to undertake corrective actions sought by ENERGY STAR, or if Partner agrees but does not initiate the corrective actions in a timely manner, then this agreement is terminated, either as a whole or in part.

## Entry into Force and Duration of Agreement

Both parties concur that this agreement and the terms outlined in the supporting documents will become effective when signed by both parties. This agreement may be updated at any time to add new areas for which ENERGY STAR Partner wants to be recognized as a partner. Both parties concur that this agreement is wholly voluntary and may be terminated by either party at any time, and for any reason, with no penalty. Failure to comply with this Partnership Agreement and Logo Use Guidelines can result in termination of this agreement and authorization to use the label. ENERGY STAR will actively pursue actions for resolving issues of noncompliance.

The undersigned hereby execute this Partnership Agreement on behalf of their party. The signatories of this agreement affirm that they have the authority to execute this agreement on behalf of ENERGY STAR Partner and ENERGY STAR.

Partnership Agreement Signatory for ENERGY STAR:

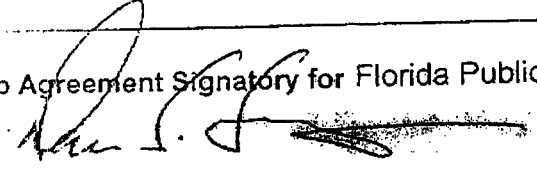
Signature(s):

Date(s):

Name(s):

Title(s):

Partnership Agreement Signatory for Florida Public Utilities Company

Signature: 

Date: 3/12/07

Name: MARC SEAGRAVE

Title: DIRECTOR OF MARKETING

Address: 401 South Dixie Highway

City: West Palm Beach

State: Florida

Zip: 33401

Country: USA

Phone: 561-366-1505

Fax: 561-366-1575

E-mail: m.seagrave@fpuc.com

Web site: fpuc.com

## ENERGY STAR® Partnership

### Program Requirements for Energy Efficiency Program Sponsors for the Commercial & Industrial Sectors

#### Eligible Organizations:

Regulated utilities, publicly owned utilities, and energy delivery companies; national, regional, state, or local government entities or other organizations involved in coordinating and/or administering energy efficiency or environmental education programs that promote ENERGY STAR, including ENERGY STAR qualified commercial and industrial buildings.

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The following are the terms of the ENERGY STAR Partnership Agreement as it pertains to Energy Efficiency Program Sponsors in the Commercial and Industrial markets. The ENERGY STAR partner, herein after referred to as "partner", believes ENERGY STAR will enhance its customers' financial health, increase program value and aid in preserving the natural environment for future generations. The partner commits to promote and use ENERGY STAR in a manner consistent with the national ENERGY STAR efforts and specifically agrees to follow all applicable terms and conditions governing the use of the ENERGY STAR logos, which are registered trade and service marks.

The partner also commits to submit and periodically update a brief plan outlining the key activities it intends to undertake to cooperatively promote ENERGY STAR in the Commercial and/or Industrial markets

The partner will be required on an annual basis to update organization and contact information displayed on the ENERGY STAR Website and the Directory of Energy Efficiency Programs (DEEP). Failure to update or confirm accuracy of this information will result in the partner profile being deactivated from DEEP

#### Commercial Program Sponsors

If promoting ENERGY STAR as an Energy Efficiency Program Sponsor in the commercial market, the partner will collaborate with ENERGY STAR to improve the energy performance of its customers' buildings and portfolios. In delivering its existing program resources, the partner may choose to include ENERGY STAR tools, messages and guidelines to help customers measure their energy performance, quantify the financial value of improvements across their organization, set targets, take action, and promote their accomplishments. The partner may also coordinate with ENERGY STAR to promote and recognize high-performance buildings as well as organizations that have demonstrated financial and environmental leadership by improving energy performance across their facilities.

Partners can use ENERGY STAR to help improve energy performance of their customers' *existing building portfolios* in the following ways:

1. Demonstrate to building owners and decision makers the financial value of energy performance improvements using the Financial Value Calculator, Quick Scope and/or the Cash Flow Opportunity Calculator (for public sector customers) provided by ENERGY STAR;
2. Assist program participants to measure, manage and improve the energy performance of their facilities using the National Energy Performance Rating system and online Portfolio Manager provided by ENERGY STAR;

3. Integrate ENERGY STAR's Building Manual and Guidelines for Energy Management into existing program offerings and services to help customers prioritize and execute upgrades that improve the energy performance their facilities and deliver financial value across the organization;
4. Help program participants earn ENERGY STAR recognition in the following ways:
  - a. posting building profiles in the Registry of ENERGY STAR Qualified Buildings
  - b. posting management success stories on the ENERGY STAR Business Improvement web page
  - c. becoming listed as an ENERGY STAR Leader based on organization-wide energy performance improvements

Partners can use ENERGY STAR to help improve energy performance in *commercial new construction* in the following ways:

1. Demonstrate the financial value of high performance building design with enhanced energy performance;
2. Help customers evaluate design energy consumption and estimate an energy performance target for building projects; also encourage building designers and owners to specify their energy performance target in contract documents;
3. Assist building designers and owners during the design process with New Building Design Guidance, a strategic management approach provided by ENERGY STAR;
4. Recognize customers by promoting their accomplishments in achieving superior energy performance through success stories, case studies, and award incentives.

#### **Industrial Program Sponsors**

If promoting ENERGY STAR as an Energy Efficiency Program Sponsor in the industrial market, the partner will collaborate with ENERGY STAR to assist industry in adopting a continuous improvement strategy for corporate-wide energy management. ENERGY STAR and its partners will seek ways to leverage and expand upon national, regional/state, and local efforts to collectively enhance efforts to promote energy efficiency in industry. Partners will coordinate with ENERGY STAR in recognizing organizations that have demonstrated financial and environmental leadership by sustaining corporate-wide improvements in the energy performance of their operations.

Partners can use ENERGY STAR to help improve energy performance in the industrial market in the following ways:

1. Actively participate in activities to explore and define ways in which the ENERGY STAR brand can be extended into the industrial sector;
2. Share information on industrial sector program design, implementation and evaluation; market research; and, business / financial messaging for distribution among a network of stakeholders working to increase the pace of investment and innovation in industrial energy efficiency;
3. Seek ways of increasing participation in the Industrial Partnership of ENERGY STAR, and;
4. Collaborate in joint outreach activities to promote the opportunities for superior energy management in the industrial market.



**ENERGY STAR® Commitment Form:  
Program Area(s) Where ENERGY STAR Partner  
Commits to Fulfill Program Requirements**

Partner Name: Florida Public Utilities Company  
Date: March 1<sup>st</sup>, 2007

Partner agrees to fulfill the Program Requirements of each program area checked below.

**Promote ENERGY STAR as an Energy Efficiency Program Sponsor\* in the:**

- Consumer Product Market
- Residential New Construction Market
- Existing Commercial Buildings Market
- New Commercial Buildings Market
- Industrial Market

\* Such as states, utilities, or regional program coordinators

**Help Clients Improve Their Energy Performance Commercial and Industrial Service and Product Providers, supporting the:**

- Existing Commercial Buildings Market
- New Commercial Buildings Market
- Industrial Market

**Offer Consumer Financing**

- Financing for Energy-Efficient Products
- Mortgages for Energy-Efficient Homes

**Label and Promote ENERGY STAR Qualified Homes**

- Home Builders/Developers
- Home Energy Raters

\*Please refer to the ENERGY STAR Partnership Agreement for Home Builders and Verification Organizations

**Promote ENERGY STAR Qualified Products**

- Retailers/E-tailers
- Buying Groups

Through our partnership with ENERGY STAR, we also commit to improve the energy performance of our own facilities.

**Label and Promote ENERGY STAR Qualified Products**

**Appliances**

- Clothes Washers
- Compact Refrigerators
- Dishwashers
- Refrigerators and/or Freezers
- Room Air Conditioners

**Commercial Food Service Equipment**

- Commercial Fryers
- Commercial Hot Food Holding Cabinets
- Commercial Solid Door Refrigerators/Freezers
- Commercial Steamers

**Home Electronics**

- Audio Equipment and DVD Products
- Digital-to-Analog Converter Boxes (DTAs)
- Telephony
- Televisions and VCRs

**Heating, Ventilation, and AC Products**

- Boilers
- Central ACs and Air-Source Heat Pumps
- Furnaces
- Geothermal Heat Pumps
- Light Commercial HVAC
- Programmable Thermostats
- Residential Ceiling Fans
- Residential Ventilating Fans

**Home and Building Envelope Products**

- Residential Insulation Products
- Roof Products
- Windows, Doors and Skylights
- Window Components

**Lighting Products**

- Exit Signs
- Residential Light Fixtures
- Screw-Based Compact Fluorescent Lamps (CFL)

**Office Equipment**

- Computers
- Imaging Equipment
- Monitors

**Other Products**

- Battery Charging Systems (BCSs)
- End-Use Products with Qualified EPSs
- External Power Supplies (EPSs)
- New Refrigerated Beverage Vending Machines
- Rebuilt Refrigerated Beverage Vending Machines
- Residential Dehumidifiers
- Room Air Cleaners
- Water Coolers

Partner Name:	<u>Florida Public Utilities Company</u>
Date:	<u>March 1<sup>st</sup> 2007</u>

Please provide contact information for each program area selected on page 1.  
(Make extra copies of page 2 when joining multiple program areas.)

ENERGY STAR Program Area: EEPS

	Responsible Agent of Company:	Primary Contact (if different):
Contact Name:	<u>MARC SEAGRAVE</u>	<u>JOHN CASTLOW</u>
Title:	<u>DIRECTOR OF MARKETING</u>	<u>Manager, Energy Conservation</u>
Company:	<u>Florida Public Utilities</u>	<u>-&gt; same</u>
Address:	<u>401 S. Dixie Hwy</u>	
City:	<u>West Palm Beach, FL</u>	
State:	<u>Florida</u>	
Zip:	<u>33401</u>	
Country:	<u>USA</u>	
Phone:	<u>561-366-1505</u>	
Fax:	<u>561-366-1575</u>	
E-mail:	<u>m.seagrave@fpuc.com</u>	<u>j.castlow@fpuc.com</u>

	Additional Contact (marketing, etc.):	Additional Contact (if appropriate):
Contact Name:	<u>Laura Scotten</u>	
Title:	<u>Manager, Corporate Communications</u>	
Company:	<u>Florida Public Utilities</u>	
Address:	<u>same</u>	
City:		
State:		
Zip:		
Country:		
Phone:	<u>561-650-8433</u>	
Fax:		
E-mail:	<u>L.scotten@fpuc.com</u>	

If you are a manufacturer of clothes washers, compact refrigerators, dishwashers, refrigerators and/or freezers, room air conditioners, windows/doors/skylights, or window components, please return to the attention of:

Please return to the attention of:

[join@energystar.gov](mailto:join@energystar.gov)

or

ENERGY STAR  
c/o ICF International  
1725 Eye Street, NW, Suite 1000  
Washington, DC 20006  
Fax: (202) 862-1144

[partnership@energystar.gov](mailto:partnership@energystar.gov)

or

ENERGY STAR  
c/o D&R International  
1390 Spring Street, Suite 500  
Silver Spring, MD 20910  
Fax: (301) 588-0854

Eysie Joe

---

From: estar@energystar.gov  
Sent: Tuesday, February 05, 2008 10:21 AM  
To: Eysie Joe  
Subject: ENERGY STAR partner applications

Dear ENERGY STAR partner:

Your user name and password to access ENERGY STAR partner applications are

User name: EYSIEJ  
Password: PERZDTP2

*1822M*

Sincerely,

The ENERGY STAR Team

*Amanda - Byrne  
Marketing tool kit  
ICF International  
903 934 3044  
abyrne@ICFi.com*

4825 Pennsylvania Avenue • Marianna, FL 32448-4004  
(850) 526-6800



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Sent: Tuesday, February 05, 2008 10:21 AM  
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Amanda - Burn  
Marketing toolkit  
ICF International  
703 934 3044  
abyrn@ICFi.com

1000 Pennsylvania Avenue • Marianna, FL 32448-4004  
(850) 526-6800



PORTFOLIO MANAGER



FREQUENTLY ASKED QUESTIONS



Home > My Profile > Account Information

Your user profile is incomplete. Required user data is complete before continuing.

Account Information

Please complete the following information to set up your account in Portfolio Manager.

REQUIRED

Username: COSTLOWJ

If you wish to change your password, do so here. Your new password must be between 8 and 32 characters in length (letters and numbers only; no special characters). Otherwise, leave these fields blank.

Enter Password: HydroSen1  
Re-Enter Password: HydroSen1

First Name: John  
Last Name: Costlow  
E-mail: jcostlow@fpuc.com  
Title: Manager, Energy Conservation  
Organization: Florida Public Utilities Company  
Address: 401 D. Dixie Highway  
City: West Palm Beach  
State: Florida  
ZIP Code: 33401  
Country: United States  
Phone: 561-366-1505

If you forget your password, we'll verify your identity by asking you the following question:

Select a Verification Question: [dropdown menu]

Enter Answer:

\*What is the primary business or service of your organization?

- Banking & Financial
- Builder Developer



**ENERGY STAR® Commitment Form:**  
**Program Area(s) Where ENERGY STAR Partner**  
**Commits to Fulfill Program Requirements**

Partner Name: Florida Public Utilities Co.  
Date: 2/5/08

Partner agrees to fulfill the Program Requirements of each program area checked below.

**Promote ENERGY STAR as an Energy**

**Efficiency Program Sponsor\* in the:**

- Consumer Product Market
- Residential New Construction Market
- Existing Commercial Buildings Market
- New Commercial Buildings Market
- Industrial Market

\* Such as states, utilities, or regional program coordinators

**Help Clients Improve Their Energy Performance**

*Commercial and Industrial Service and Product Providers, supporting the:*

- Existing Commercial Buildings Market
- New Commercial Buildings Market
- Industrial Market

**Offer Consumer Financing**

*Mortgages for Energy-Efficient Homes*

\*Please refer to the ENERGY STAR Partnership Agreement for Lenders.

**Label and Promote ENERGY STAR Qualified Homes**

*Home Builders/Developers  
Home Energy Raters*

\*Please refer to the ENERGY STAR Partnership Agreement for Home Builders and Verification Organizations.

**Promote ENERGY STAR Qualified Products**

- Retailers/E-tailers
- Buying Groups

**Label and Promote ENERGY STAR Qualified Products**

*Appliances*

- Clothes Washers
- Dishwashers
- Refrigerators and/or Freezers
- Room Air Conditioners

**Commercial Food Service Equipment**

- Commercial Dishwashers
- Commercial Fryers
- Commercial Hot Food Holding Cabinets
- Commercial Ice Machines
- Commercial Solid Door Refrigerators/Freezers
- Commercial Steamers

**Home Electronics**

- Audio Equipment and DVD Products
- Digital-to-Analog Converter Boxes (DTAs)
- Telephony
- Televisions and VCRs

**Heating, Ventilation, and AC Products**

- Boilers
- Central ACs and Air-Source Heat Pumps
- Furnaces
- Geothermal Heat Pumps
- Light Commercial HVAC
- Programmable Thermostats
- Residential Ceiling Fans
- Residential Ventilating Fans

**Home and Building Envelope Products**

- Residential Insulation Products
- Roof Products
- Windows, Doors and Skylights
- Window Components

**Lighting Products**

- Decorative Light Strings
- Residential Light Fixtures
- Screw-Based Compact Fluorescent Lamps (CFL)

**Office Equipment**

- Computers
- Imaging Equipment
- Monitors

**Other Products**

- Battery Charging Systems (BCSs)
- End-Use Products with Qualified EPSs
- External Power Supplies (EPSs)
- New Refrigerated Beverage Vending Machines
- Rebuilt Refrigerated Beverage Vending Machines
- Residential Dehumidifiers
- Room Air Cleaners
- Water Coolers

*Through our partnership with ENERGY STAR,  
we also commit to improve the energy  
performance of our own facilities.*

Partner Name:	Florida Public Utilities Co.
Date:	2/5/08

Please provide contact information for each program area selected on page 1.  
(Make extra copies of page 2 when joining multiple program areas.)

ENERGY STAR Program Area: Florida

	Responsible Agent of Company:	Primary Contact (if different):
Contact Name:	Jee Eysie	←
Title:	Energy Conservation Mgr	
Company:	Florida Public Utilities Co	
Address:	401 S. Dixie Highway	
City:	West Palm Beach	
State:	Florida	
Zip:	33401	
Country:	US	
Phone:	561 838 1745	
Fax:	561 366 1545	
E-mail:	jeeysie@fpuc.com	

	Additional Contact (marketing, etc.):	Additional Contact (if appropriate):
Contact Name:		
Title:		
Company:		
Address:		
City:		
State:		
Zip:		
Country:		
Phone:		
Fax:		
E-mail:		

Please return to the attention of:

[join@energystar.gov](mailto:join@energystar.gov)  
 or  
 ENERGY STAR  
 c/o ICF International  
 1725 Eye Street, NW, Suite 1000  
 Washington, DC 20006  
 Fax: (202) 862-1144

If you are a manufacturer of CFLs, clothes washers, dishwashers, refrigerators and/or freezers, room air conditioners, windows/doors/skylights, or window components, please return to the attention of:

[partnership@energystar.gov](mailto:partnership@energystar.gov)  
 or  
 ENERGY STAR  
 c/o D&R International  
 1300 Spring Street, Suite 500  
 Silver Spring, MD 20910  
 Fax: (301) 588-0854

The public reporting and recordkeeping burden for this collection of information is estimated to average 4.2 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

EPA - DOE

Joint Partnership

Marcia Vargas

902 343

9451

Marcia 13



USING THE ENERGY STAR  
IDENTITY TO MAINTAIN  
AND BUILD VALUE



1888  
STAR  
YES

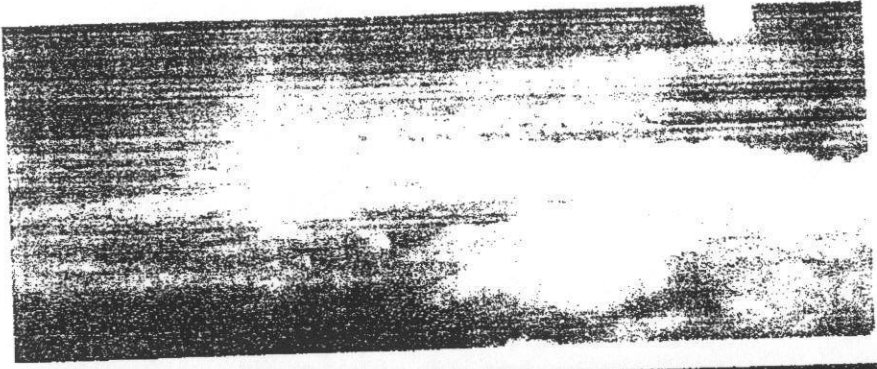


More  
hand  
outs  
for  
Free.

SBantt@edmusgroup  
com

# PURPOSE

These guidelines outline the implementation of a strong and distinctive identity for ENERGY STAR. Whether you are labeling a product because it has earned the ENERGY STAR, designing a new outreach campaign or communicating your organization's environmental commitment, these guidelines are designed to help you make the most of your ENERGY STAR partnership. All of us have the power to make a change for the better if we work together.



1.0  
MESSAGE FROM THE  
ADMINISTRATOR

2.0  
THE POWER OF  
ENERGY STAR: HISTORY &  
SUCCESS

3.0  
THE ENERGY STAR  
IDENTITY

4.0  
USING THE ENERGY STAR  
MARKS:  
GENERAL GUIDELINES

5.0  
USING THE ENERGY STAR  
PROMOTIONAL MARK

6.0  
USING THE ENERGY STAR  
CERTIFICATION MARK

7.0  
USING THE ENERGY STAR  
LINKAGE PHRASE MARKS

8.0  
USING THE ENERGY STAR  
PARTNERSHIP MARK

9.0  
SPECIAL APPLICATIONS

10.0  
WRITING AND TALKING  
ABOUT ENERGY STAR

11.0  
USING THE ENERGY STAR  
MARK OR NAME IN  
DOMAIN NAMES

ENERGY STAR is more than a label awarded for energy efficiency. It is a partnership among government, business, and consumers, united in the pursuit of a common goal—to protect our environment for future generations.

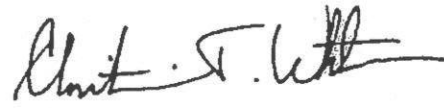
The ENERGY STAR program has been a resounding success over the last decade. Americans have purchased more than 1 billion ENERGY STAR qualified products and thousands of buildings have been improved. More than 7,000 businesses and organizations have become partners, and more than 40% of the American public recognizes the ENERGY STAR.

Last year alone, with the help of ENERGY STAR, Americans saved the energy required to power 15 million homes and reduced air pollution equivalent to taking 14 million cars off the road—all this while saving \$7 billion on energy bills. Through ENERGY STAR, we have successfully educated our partners and the consumer marketplace that energy efficiency does not sacrifice the features, style, or the comfort that today's consumers expect. But there is

much more to do. There are many more Americans to make aware of the power they have when they make choices for their homes and many more businesses to show that what is good for the environment is also good for the bottom line.

The quality of the environment is everyone's responsibility and by bringing ENERGY STAR into American homes and businesses we can make an enormous difference.

In the following pages, we define and provide new tools that will help your organization build on our joint accomplishments of the past and to help us deliver a better future—one that will benefit generations to come.



Christie Whitman  
Administrator  
Environmental Protection Agency



**THE ENERGY STAR IS MORE THAN A LABEL AWARDED FOR ENERGY EFFICIENCY**

# ENERGY STAR

ENERGY STAR has become a powerful platform for improving the environment through energy efficiency.

## THE HISTORY

EPA introduced the ENERGY STAR label in 1992 to recognize energy-efficient computers. Since then, the label has grown to identify efficient products across more than 40 product categories. Since the mid-1990s, EPA has collaborated with the U.S. Department of Energy (DOE), which now has responsibility in some product areas. EPA approved the label for use on efficient new homes in 1995, and efficient buildings became eligible for the label in 1999 when EPA unveiled a new standardized approach for measuring the energy performance of an entire building.

Beyond the label, EPA and DOE have offered many tools and materials to partner organizations to build upon and use in their efforts to promote energy efficiency. These include:

- promotional ENERGY STAR marks;
- national public service advertising campaigns;

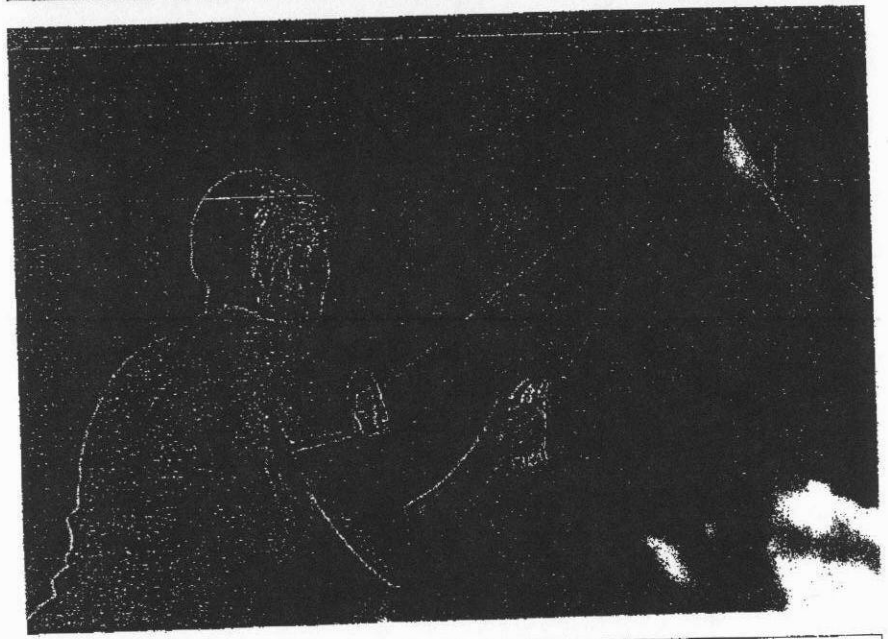
- promotional and national campaign materials;
- performance rating systems;
- sales training materials;
- educational brochures;
- awards in recognition of excellence.

## THE SUCCESS

Since the introduction of the ENERGY STAR label, Americans have purchased more than 1.5 billion products carrying that mark and improved the efficiency of thousands of buildings and homes. As a nation we have prevented greenhouse gas emissions equivalent to those from 20 million vehicles.

Over this time the public has become more aware of and interested in energy efficiency, ENERGY STAR, and protecting the environment. Energy issues have made news. The public has become more concerned with environmental issues, particularly air pollution and global warming. Many consumers want to know what they can do to save energy and protect the environment and believe that products that address energy and environmental issues

# ENERGY STAR HAS BECOME A POWERFUL PLATFORM FOR IMPROVING THE ENVIRONMENT THROUGH ENERGY EFFICIENCY



are desirable (see Survey Results on page 2.2).

ENERGY STAR is growing to meet these consumer and business interests. Recent surveys and studies show (see pages 2.2-2.4 for more complete results):

- More than 60% of the American public is aware of the label;

- The ENERGY STAR label is influencing product purchasing and consumers will use the label in the future as part of their purchasing decisions;
- Market penetration of ENERGY STAR qualified products has increased substantially in regions with active programs;
- ENERGY STAR partners that are leaders in corporate energy management are strong performers on Wall Street.



## 87% AMERICANS ARE VERY CONCERNED ABOUT THE ENVIRONMENT

### AMERICAN VIEWS ON ENERGY, ENVIRONMENT AND PRODUCTS

Many Americans are concerned about the environment and believe that saving energy helps the environment.

- 89% strongly agree or agree with the statement "I'm very concerned about the environment."<sup>A</sup>
- 93% strongly agree or agree with the statement "Saving energy helps the environment."<sup>A</sup>
- 93% of people believe that saving energy is important.<sup>B</sup>
- 94% of consumers believe that each of us has to be responsible in our energy use and that they as an individual can make a difference (they either agree or strongly agree).<sup>A</sup>
- 73% of consumers believe that "A product that is better for the environment" is a somewhat to very important consideration when purchasing an appliance or other energy-using product.<sup>A</sup>
- 72% of adults "...make a special effort to look for products that are energy efficient."<sup>C</sup>

### AMERICAN VIEWS ON THE FEDERAL GOVERNMENT AND ENERGY STAR

There is growing awareness of the ENERGY STAR label, with more than 60% of the American public recognizing it.<sup>D</sup>

Of those consumers aware of the ENERGY STAR label, many have a good understanding of it.<sup>A</sup>

- 89% believe a qualified product uses energy more efficiently than a conventional product.<sup>A</sup>
- 72% believe a qualified product is friendly to the environment.<sup>A</sup>

The ENERGY STAR label is influencing purchases of efficient products.

- More than 50% of households knowingly purchased at least one ENERGY STAR qualified product in the last twelve months.<sup>D</sup>
- Of those with a recent ENERGY STAR purchase:
  - more than 60% say that the presence of the ENERGY STAR mark influenced their purchase decision (either somewhat or very much).<sup>A,D</sup>

## MORE THAN 60% OF THE AMERICAN PUBLIC RECOGNIZE THE ENERGY STAR

### ENERGY STAR QUALIFIED PRODUCTS ARE GAINING MARKET SHARE

The market share of ENERGY STAR qualified products is growing all over America.

In California:

- Market share of major appliances carrying the ENERGY STAR grew by 12 to 28%.<sup>E</sup>
- Sales of ENERGY STAR qualified Compact Fluorescent Lamps (CFLs) reached nearly 2.8 million by mid 2001.<sup>F</sup>

In the Northwest:

- Market share for ENERGY STAR qualified windows grew from 15% in 1997 to 66% by June 2001.<sup>G</sup>
- ENERGY STAR qualified clothes washers reached a 30% market share.<sup>H</sup>
- 8.3 million ENERGY STAR qualified CFLs were sold in 2001.<sup>I</sup>

In the Northeast:

- Market share of ENERGY STAR qualified clothes washers is 65% greater than the national average.<sup>J</sup>

- 93% of those that received a discount said that they were either very or somewhat likely to purchase the ENERGY STAR qualified product without the discount.<sup>D</sup>

Many Americans believe they will use the ENERGY STAR label in the future to help in choosing products.

- 95% of recent purchasers of an ENERGY STAR qualified product say they are somewhat or very likely to purchase an item with the ENERGY STAR mark in the future.<sup>A</sup>
- 76% of consumers that knowingly purchased an ENERGY STAR labeled product are very or somewhat likely to recommend ENERGY STAR to a friend.<sup>D</sup>

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...LEVE A QUANTITATIVE PRODUCT  
 USES ENERGY MORE EFFICIENTLY  
 ...COMPARABLE ...

**SUPERIOR ENERGY  
 MANAGEMENT STANDS OUT ON  
 WALL STREET**

Energy efficiency leaders (companies that improve the efficiency of their own operations) achieve superior stock market returns.

- In the real estate sector, active ENERGY STAR partners outperformed non-partners by 12% over a 2 year period.<sup>1</sup>

- In the food service sector, ENERGY STAR partners outperformed to the Dow Jones broad retail sector index by 2000 basis points over a 2 year period.<sup>2</sup>

A 2004 Energy Conservation, Efficiency and Demand Response Study 3199, Final Report July 2004, Schulman, Ronca and Bucavelas, Inc. and Research into Action (July 2004).

B Lowe's Home Improvement Warehouse Summer Energy Efficiency, May 9, 2001, Ipsos Reid.

C The Gallup Organization, 2000.

D National Awareness of ENERGY STAR for Analysis of CEE 2005 Household Survey, The Cadmus Group and KEMA Consulting, Inc., March 2006.

E. California Appliance Trends, 2001, Volume 1. Residential Market Share Tracking Project, RER, Managed by Southern California Edison.

F. Lamp Trends, 2002, Volume 1, Residential Market Share Tracking Project, RER, Managed by Southern California Edison.

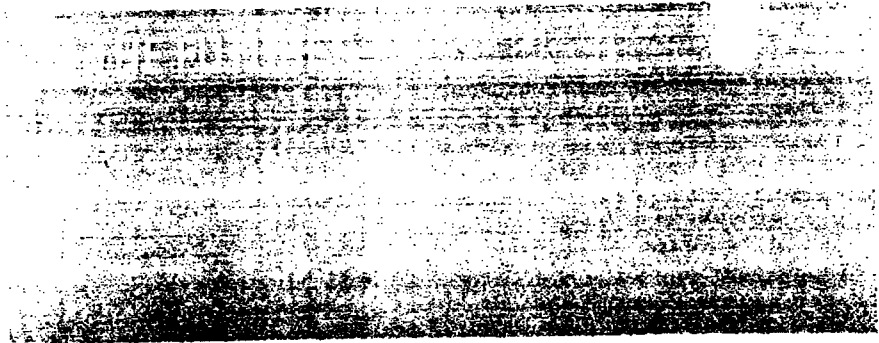
G. ENERGY STAR Windows program, November 2000, Market Progress Evaluation Report. Prepared by Quantec for NEEA, Report #E00-069.

H. Northwest Energy Efficiency Alliance, 2001 Annual Report.

I. Northeast Energy Efficiency Partnership, 2002.

J. "Energy Management and Investor Returns: The Real Estate Sector", Innovest Strategic Value Advisors, October 2002.

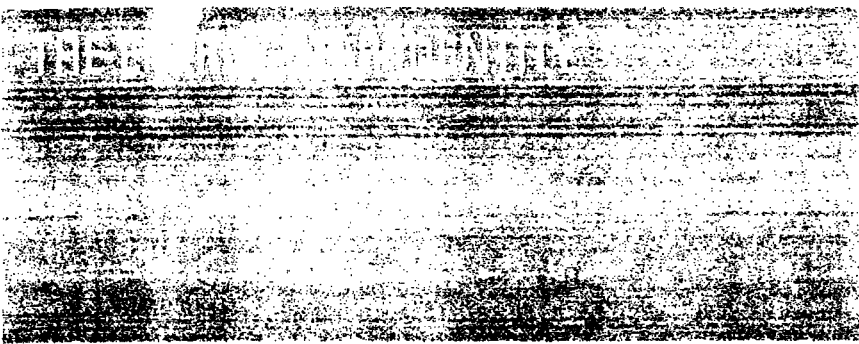
K. "Energy Efficiency and Investor Returns: The Retail Food Sector", Innovest Strategic Value Advisors, September 2002.



There is much more work to do over the coming years on improving the environment through energy efficiency. Based on the recent surveys and studies, as well as a thorough review of the use of the ENERGY STAR marks in today's market place, it is clear that there are several measures that can make ENERGY STAR more effective as we go forward. The improvements are as follows:

- Building a strong call to action into the ENERGY STAR identity that speaks to the individual both emotionally and rationally about their ability to make a change for the better;
- Building clearer statements about the EPA and DOE backing of ENERGY STAR into promotional campaigns and outreach materials so that consumers are not confused about its source and can trust the ENERGY STAR as credible, unbiased information;
- Updating the ENERGY STAR marks to be more memorable, recognizable and clearer across a range of applications.

These improvements will help increase awareness of ENERGY STAR and will more strongly influence the change in behavior required to protect the environment for future generations.



The ENERGY STAR identity is a valuable asset, and like any asset with appreciable value, it must be properly used and protected. These guidelines will help us all understand and properly use the key elements of the ENERGY STAR identity. Consistently presenting the meaning and benefits of ENERGY STAR maintains and builds its value and immeasurably benefits all.

Several refinements have been made to enhance the value of the ENERGY STAR identity. First, the ENERGY STAR marks have been updated to have greater clarity, consistency and consumer recognition. The update includes adding the words "ENERGY STAR" into each mark so that it is closely associated with the ENERGY STAR name. We have also incorporated the power of a strong, clear color, one of the most important elements of an identity if used consistently and frequently. Blue has been chosen as the primary color for the marks because it represents many positive attributes for ENERGY STAR including clarity, air, sky, and the environment. ENERGY STAR Blue (100% Cyan) is the preferred color for the use of the marks.

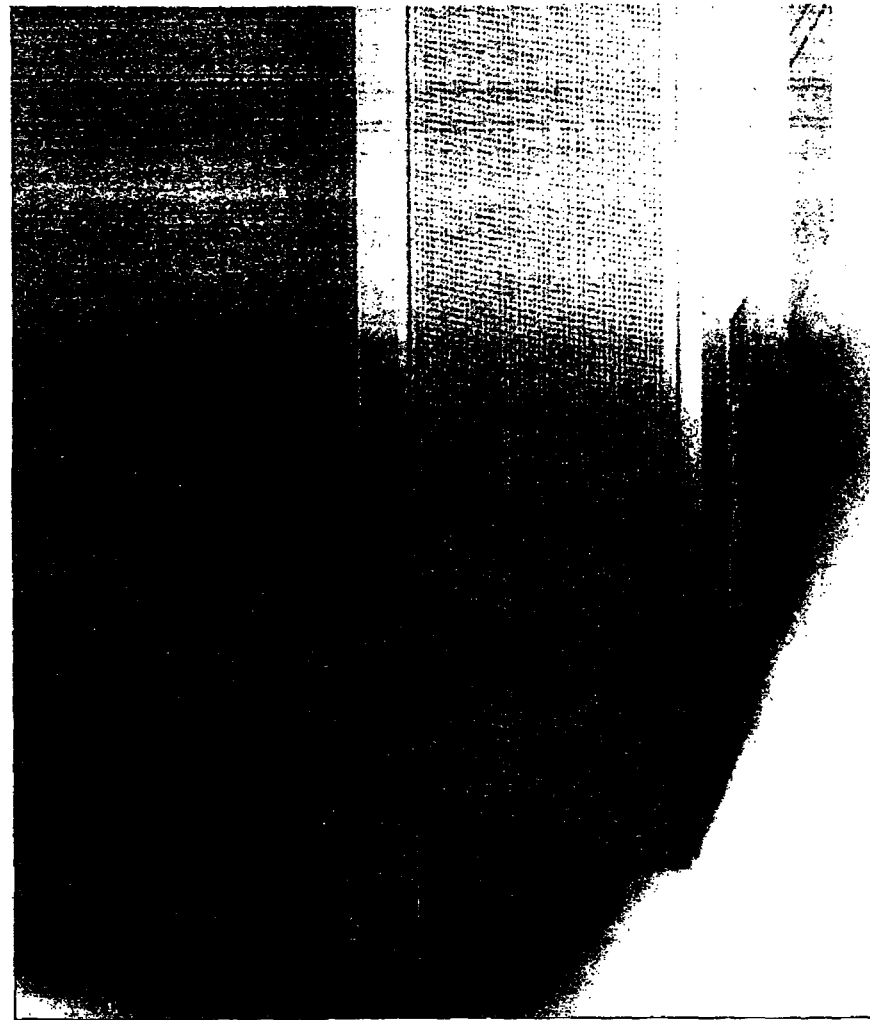
The refined ENERGY STAR marks:

- work better across a range of sizes and backgrounds, and particularly well in retail settings;
- maintain a strong environmental feel with ENERGY STAR Blue;
- read as ENERGY STAR due to the words underneath;
- reproduce easily due to a one color rendering (100% Cyan) in most applications.

In addition, EPA recommends that strong messaging about the power of the individual to protect the environment as well as clear statements about the government as the authority behind ENERGY STAR be incorporated into outreach materials, as appropriate, to more fully communicate the ENERGY STAR identity.

#### TIMING

The updated ENERGY STAR marks will appear in the marketplace beginning in early 2003. EPA encourages use of the new marks as soon as possible. We understand that partners will need sufficient time to use up existing stocks of materials to smoothly transition to the use of the new marks.



#### THESE GUIDELINES

The rest of these guidelines outline how to use the ENERGY STAR marks across a wide range of activities and applications. General guidelines are provided first, followed by more specific guidelines for each category of mark. In addition, these guidelines

provide recommendations for what words to use when writing or talking about the ENERGY STAR program (see pages 10.0-10.2), including how to reference the government source of authority.

# USING THE ENERGY STAR MARKS GENERAL GUIDELINES

The ENERGY STAR Program is a partnership between businesses and organizations and the Federal government. As part of this partnership, businesses and organizations can use the ENERGY STAR name and marks, registered marks owned by the U.S. government, as part of their energy efficiency and environmental activities.

The ENERGY STAR marks, each designed for specific purposes, are shown on the following pages and fall under the following four categories:

1. Promotional Mark;
2. Certification Mark;
3. Linkage Phrase Mark (2 options);
4. Partnership Mark.

Organizations must enter into an agreement with the government to use the marks as provided in this document. Allowing alterations to these marks would confuse businesses and consumers about the source of the ENERGY STAR program and reduce its value for all.<sup>1</sup>

<sup>1</sup> Government documents may use slight variations of the ENERGY STAR marks where it is important to the communication goal of the material and where there would be no confusion about the source of authority.

Organizations using these marks must abide by the following general guidelines:

1. The ENERGY STAR name and marks may never be used in any manner that would imply EPA or DOE endorsement of a company, its products, or its services. Neither the marks nor the ENERGY STAR name may be used in any other company name, product name, service name, domain name or Web site title.
2. The marks may not be altered, cut apart, separated, or otherwise distorted in perspective or appearance.
3. The marks may never be used in a manner that would disparage ENERGY STAR, EPA, DOE, or any other government body.
4. The marks may never be associated with products, homes, or buildings that do not qualify as ENERGY STAR.
5. Partners and other authorized organizations are responsible for their own use of the ENERGY STAR marks, as well as use by their representatives, such as ad agencies and implementation contractors.

# USING THE ENERGY STAR MARKS GENERAL GUIDELINES

6. The ENERGY STAR name should always appear in capital letters.
7. The registration symbol ® must be used with the first time the words "ENERGY STAR" appear in material and:
  - The ® symbol should always be in superscript;
  - There shall be no space between the words "ENERGY STAR" and the ® symbol;
  - The ® symbol shall be repeated in a document for each chapter title or Web page.

## ENERGY STAR REVIEW POLICY

- Advertisements where the certification mark is placed next to qualified products do not need to be approved.
- EPA must approve any major educational or promotional campaigns that feature the ENERGY STAR name or mark prior to final production or printing. The submitted materials will be reviewed for consistency with these guidelines within two (2) business days of receipt of the materials. Materials should be submitted to your Account Manager or primary program contact.

## MARK VIOLATIONS

EPA actively monitors proper use of the ENERGY STAR name and marks. The following explains the general course of action for addressing mark violations:

1. Anyone who misuses the marks will be contacted in writing or by telephone.
2. A reasonable amount of time will be given to correct the error(s) per EPA's discretion. The time frame will be dependent upon the medium in which the violation appeared and the severity of the violation.
3. Follow-up will be conducted to ensure that the error(s) has been corrected. Failure to make the required changes may result in termination of a stakeholder's participation in ENERGY STAR and/or legal action.

## QUESTIONS ABOUT USING THE MARKS

If you have questions regarding the use of the marks, please call your Account Manager or primary program contact, or the ENERGY STAR Hotline at: 1-888-STAR-YES (1-888-782-7937)

# THE ENERGY STAR MARKS

## Promotional Mark

Use the Promotional Mark on any materials that feature ENERGY STAR such as brochures, media kits and flyers. It is to be used in public education campaigns on the benefits of ENERGY STAR.

## Certification Mark

Use the Certification Mark as a label on products, homes, and buildings that meet or exceed ENERGY STAR performance guidelines.

See special applications:  
 Insulation (pages 9.2-9.3);  
 HVAC (pages 6.6-6.7).

## Linkage Phrase Mark

Use the Linkage Phrase Mark in marketing materials, such as ads and circulars, to show that a company sells either ENERGY STAR qualified products or services that can deliver ENERGY STAR performance levels.

## Partnership Marks

Use the Partnership Mark to promote an organization's commitment to and partnership in the ENERGY STAR Program.

### Preferred



### Optional



### Preferred



### Optional



### Preferred



### Optional



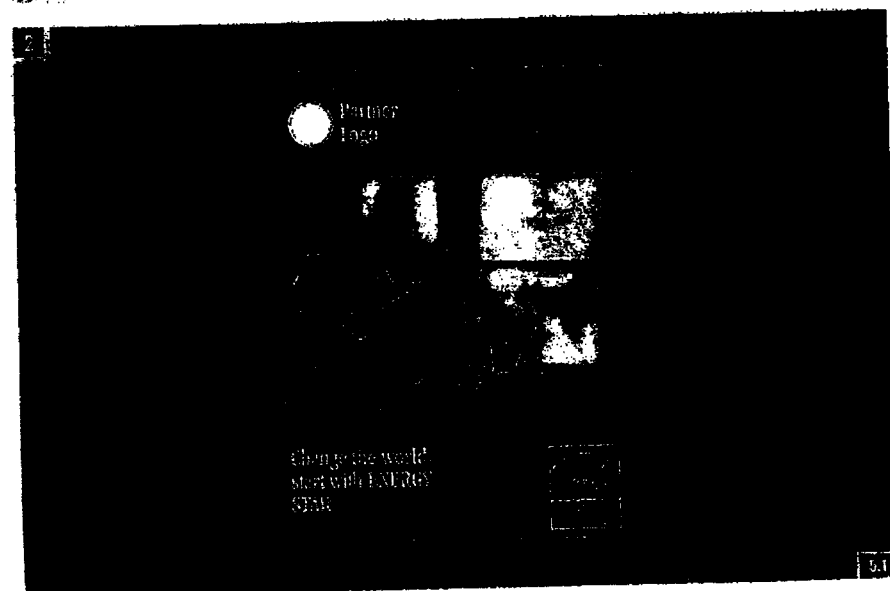
Use the ENERGY STAR Promotional Mark on materials designed to convey the benefits of ENERGY STAR qualified products, homes, and buildings. It may be used on any promotional materials that feature ENERGY STAR, like point-of-purchase displays, advertisements, T-shirts and hats. This mark is available to organizations running public education campaigns on the benefits of ENERGY STAR, in particular:

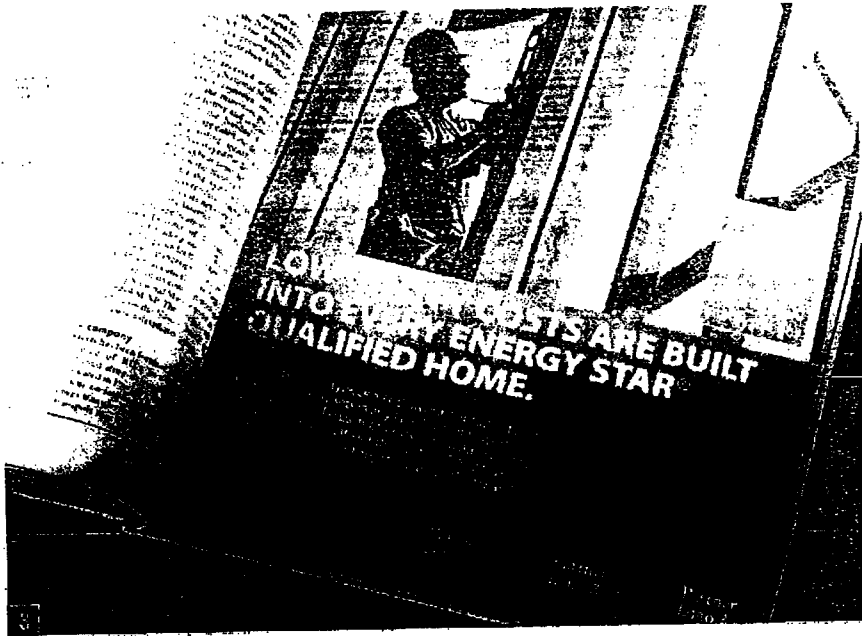
- Any organization that has signed a Partnership Agreement or Partnership Letter with ENERGY STAR and wishes to promote the benefits of ENERGY STAR;
- Non-governmental organizations (NGOs) and trade associations seeking to promote the benefits of ENERGY STAR.

Examples of common uses of the Promotional Mark are provided in the following pages. They illustrate our recommendations (see pages 5.1-5.15) for getting the greatest value from the use of the Promotional Mark. We devote a special section to depicting recommendations for promotional and educational campaign materials, since they frequently allow for the integration of many elements of the ENERGY STAR identity (see pages 5.8-5.15).

Uses of the Promotional Mark include:

- T-shirts, hats, etc; **1**
- Point of Purchase materials; **2**
- Product advertising when one does not want to highlight the particular products that have qualified for the ENERGY STAR (when the Certification Mark would be appropriate); **3**
- Web sites; **4**
- New Home promotional materials; **5**
- Promotional and Educational Campaign materials. **6 7**

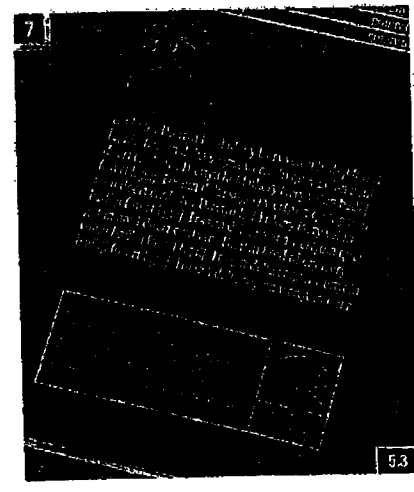
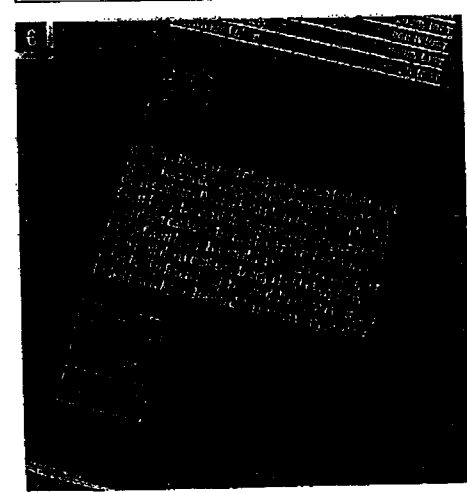
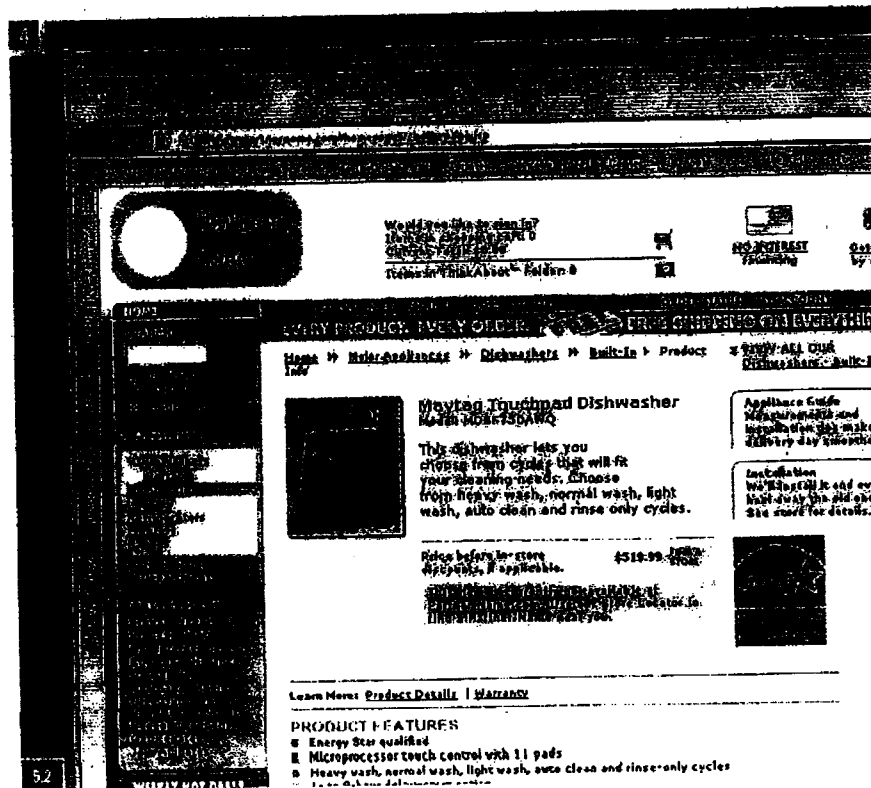




6

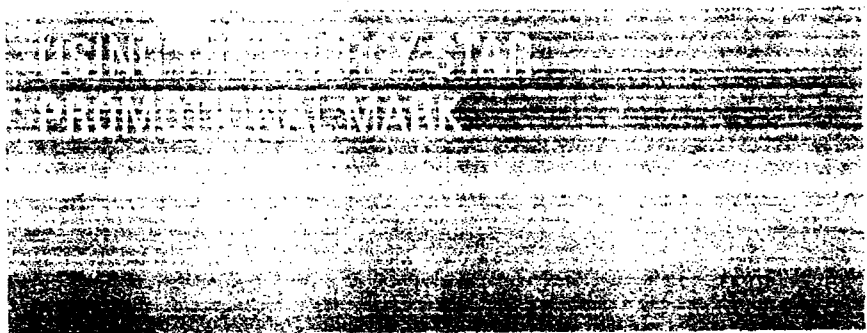
In examples 6 7 the Partner Promotional materials illustrate the use of the Promotional Mark on the inside of a brochure where there is only product marketing copy. When additional product specification is used, we suggest the addition of a building block containing the copy.

"Products that earn the ENERGY STAR prevent greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy."



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**HORIZONTAL AND VERTICAL VERSIONS 1**

We created two versions of the Promotional Mark, each including the ENERGY STAR symbol block and an attached messaging block 2. The messaging block devotes significant space to the call to action, which is important to building a stronger emotional appeal for the symbol. The two blocks are separated by a white rule equal in thickness to the arc within the symbol. The mark also has a white keyline around it that is also equal in thickness to the arc within the symbol.

**CLEAR SPACE 1**

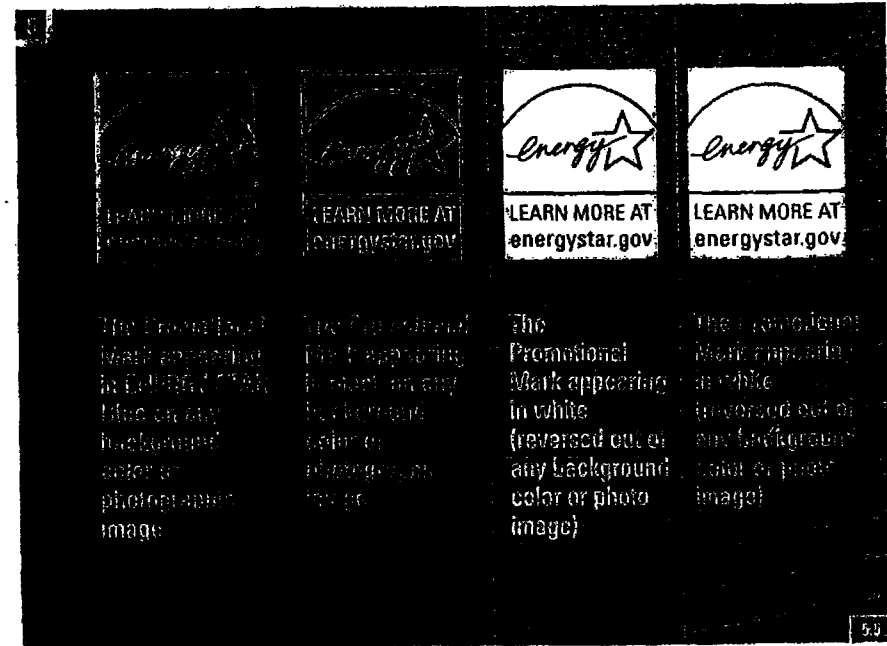
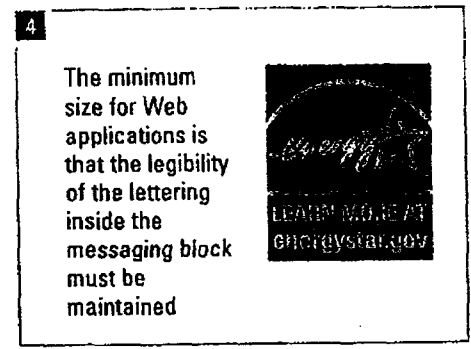
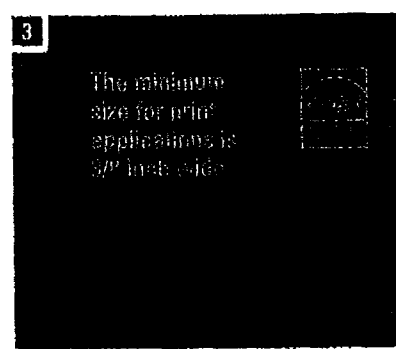
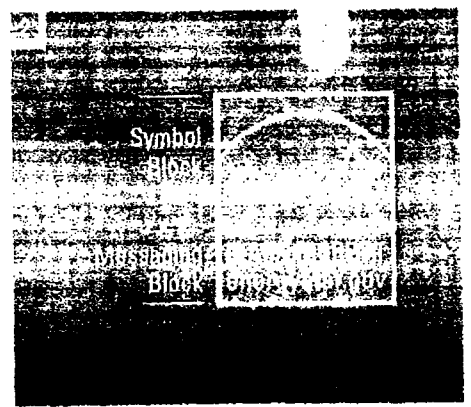
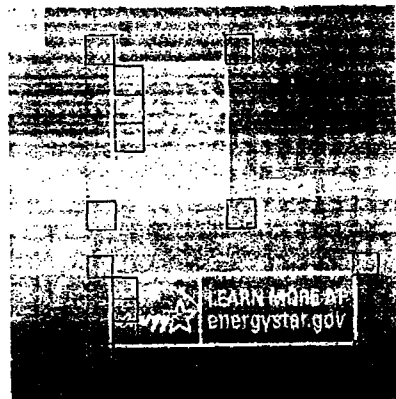
We require that a clear space of .333 (1/3) the height of the graphic box within the mark should surround the mark at all times. No other graphic elements, such as text and images can appear in this area. We require this clear space since the Promotional Mark frequently appears within materials using complex imagery such as other marks, graphic devices and text.

**MINIMUM SIZE 3 4**

The solid color with white graphics and keyline assure a high level of protection for the mark itself. The mark may be resized, but the proportions must be maintained. For legibility in print, we recommend that the symbol block within the mark not be reproduced smaller in width than .375 inch (3/8") for print. Lettering legibility inside the mark must be maintained on the Web.

**PREFERRED COLOR 5**

The preferred color for the Promotional Mark is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The preferred application of the Promotional Mark is ENERGY STAR Blue, as shown in these examples. It demonstrates how clear, strong and easy-to-remember simple geometry combined with a strong color can be. The Web color equivalent of ENERGY STAR Blue is hex color #0099FF. If multicolor printing is available for advertising, product literature, etc. the Promotional Mark should be printed in ENERGY STAR Blue. If ENERGY STAR Blue is not available then black can be substituted.



When designing materials for use in promotional and educational campaigns, there is frequently more space available than is required by the Promotional Mark alone to convey the benefits of ENERGY STAR to business and consumers. This section outlines the messages that EPA believes are important to emphasize, as space allows. It also details the overall framework for incorporating these messages and demonstrates the direction EPA and DOE are taking as we develop template materials for such activities.

#### MESSAGES

EPA and DOE have had much success over the last two years incorporating a strong environmental message around the direct, rational benefits that ENERGY STAR offers, like energy savings, quality and comfort. EPA and DOE intend to continue to develop outreach materials that convey this full range of benefits.

The government will be incorporating three broad messages into our materials and are recommending that ENERGY STAR partners do the same, to the extent possible. The three broad messages are:

1. The power of the individual in making a difference;
2. The environmental choice provides energy savings without compromising quality or comfort;
3. ENERGY STAR is a government-backed symbol providing valuable, unbiased information to business and consumers.

1. THE POWER OF THE INDIVIDUAL IN MAKING A DIFFERENCE
2. THE ENVIRONMENTAL CHOICE PROVIDES ENERGY SAVINGS WITHOUT COMPROMISING QUALITY OR COMFORT
3. ENERGY STAR IS A GOVERNMENT-BACKED SYMBOL PROVIDING VALUABLE, UNBIASED INFORMATION TO BUSINESS AND CONSUMERS

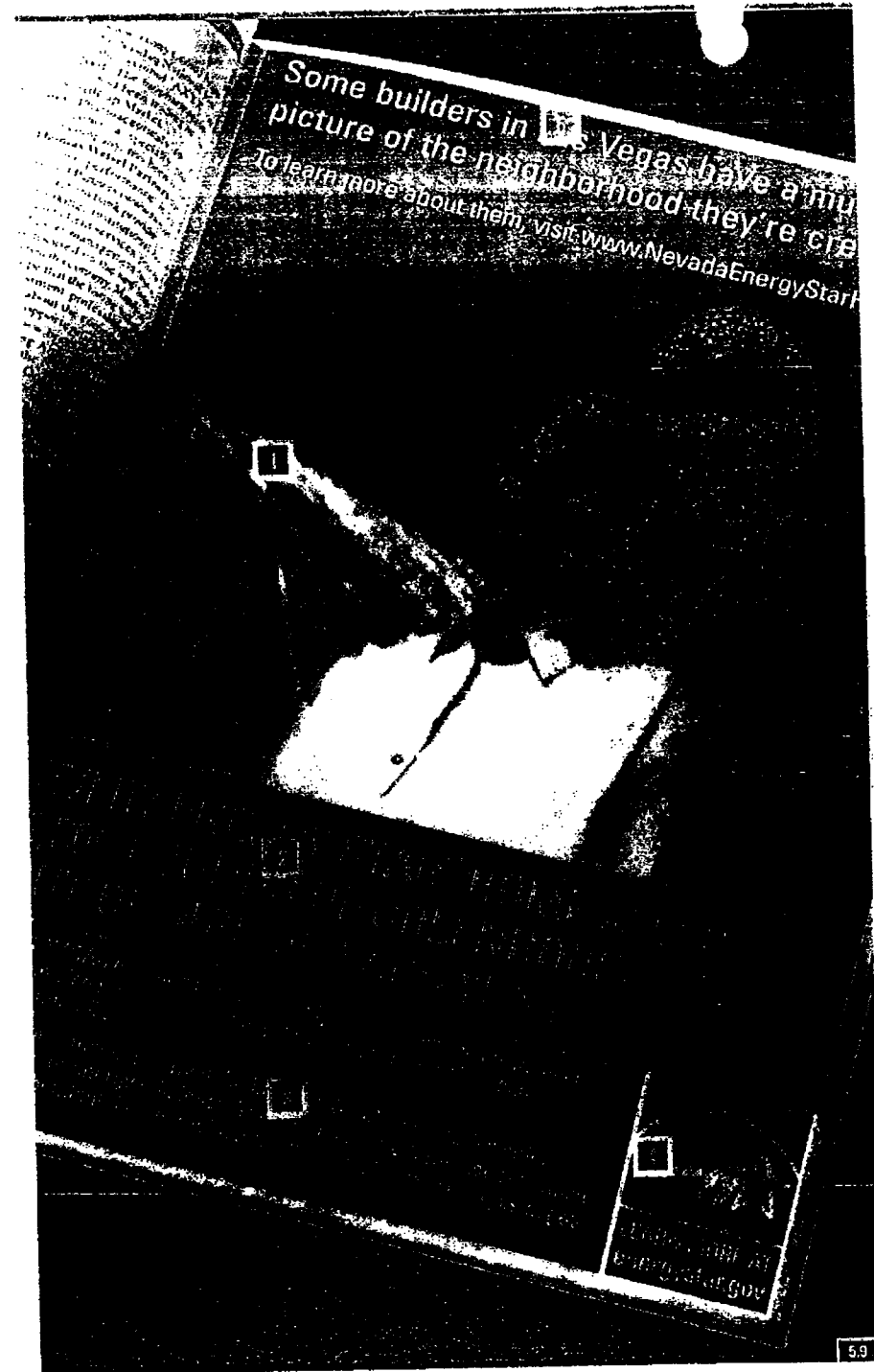
We use a powerful Building Block approach to convey the beneficial and motivational messages associated with ENERGY STAR. This approach offers a number of elements that can be combined and used across various applications for an effective outreach campaign. The elements include:

- Related Imagery; **1**
- Messaging block **2** on the emotional motivation and the power of the individual;
- Messaging block **3** on the government source of authority;
- ENERGY STAR Learn More Mark. **4**

Important messages, such as the source of authority for ENERGY STAR and strong environmental messages, can be linked to the ENERGY STAR symbol through the use of the Building Blocks and the color blue. Together they provide a much clearer statement of the ENERGY STAR platform that the partner is leveraging and bringing to its customers.

The rational benefits can be explained in the message block **5** written by the partner, providing the partner with a lot of flexibility in space and copy.

EPA has recommended imagery for these promotional efforts chosen with the intent of enhancing this emotional connection even further (see pages 5.16-5.19).

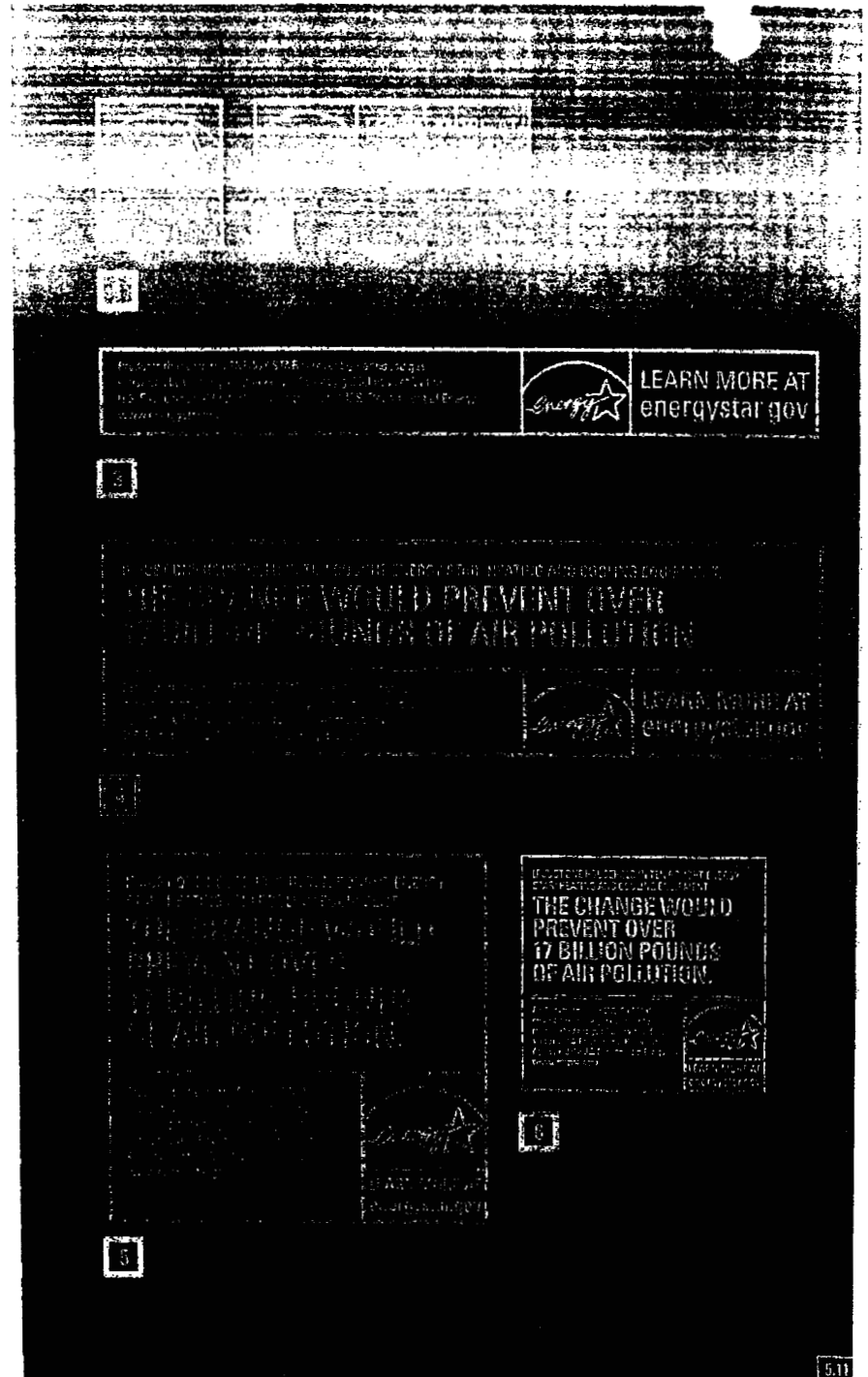


The Building Blocks are created for use in partner communications and allow for flexibility in content and configuration. Some examples of this flexibility are using the:

- Promotional Mark by itself; **1** **2**
- Promotional Mark with the source of authority messaging block; **3**
- Promotional Mark with the source of authority, the emotional motivation (optional) and the power of the individual messaging block in a horizontal or vertical configuration; **4** **5**
- Promotional Mark with the source of authority, the emotional motivation and the power of the individual messaging block in a stand alone application. **6**

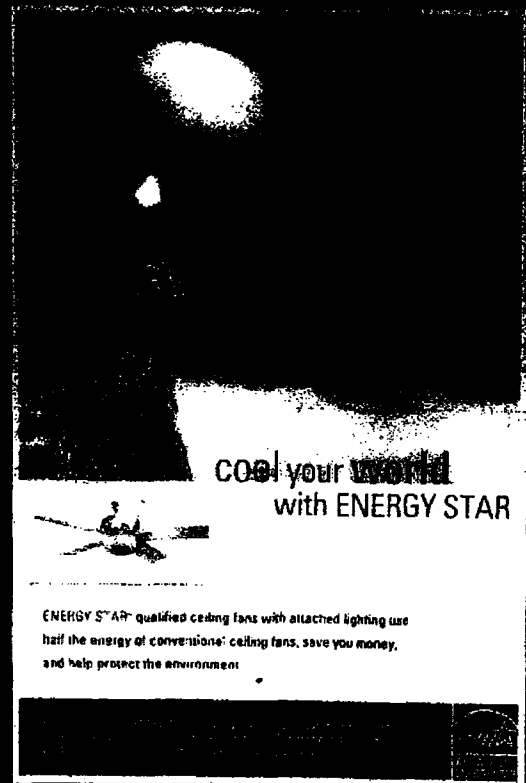
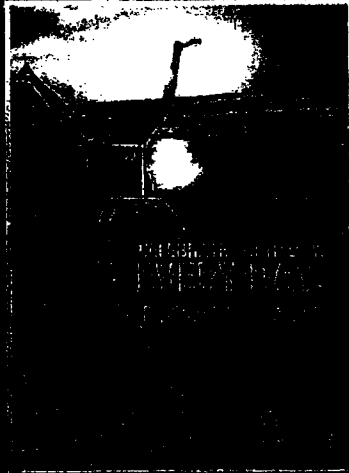
In addition, all configurations of the Building Blocks can be used in both 4-color printing and **6** black and white communications.

The Building Blocks appear in ENERGY STAR Blue in full-color printing and black in one-color printing. A thick white border equal to at least 3 times the thickness of the rule within the building blocks is recommended around the entire application layout that utilizes the Building Blocks as shown in these examples.



EXAMPLES OF CREATIVE

The example below shows an existing campaign that utilizes the Building Blocks. Please note that any information or messaging outside of the Building Block, whether it be normal or otherwise, can be set in any typeface.





**Request *The Guide to Energy-Efficient Heating & Cooling* and make your home more energy efficient.**

To receive a free copy of *The Guide to Energy-Efficient Heating & Cooling*, call 1-888-542-7529 or visit [www.energystar.gov](http://www.energystar.gov).

1. Make sure you have:

- A properly sized furnace or boiler
- A properly sized air conditioner
- A properly sized water heater

By choosing this ENERGY STAR qualified product with the latest energy-saving technology, you're helping to preserve our environment for future generations. And for that, we're mighty grateful.

For information on other products that have earned the ENERGY STAR, and how you can help protect the world's most precious resource, visit [www.energystar.gov](http://www.energystar.gov).

Do you know that you can also reuse or recycle many of your old home electronics? To learn more, go to [www.electronicrecycling.org](http://www.electronicrecycling.org).

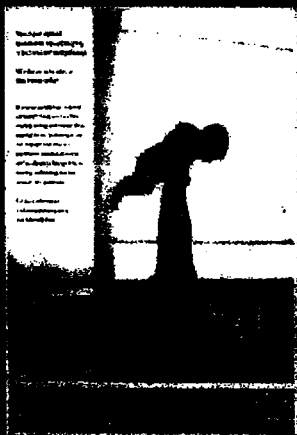
RECYCLING ELECTRONICS CAN SAVE TREES, WATER AND ENERGY. IT CAN ALSO PREVENT TOXIC WASTE FROM ENDING UP IN LANDFILLS OR INCINERATORS.



**next generation technology**

...with the latest technology...

...to help you save energy...



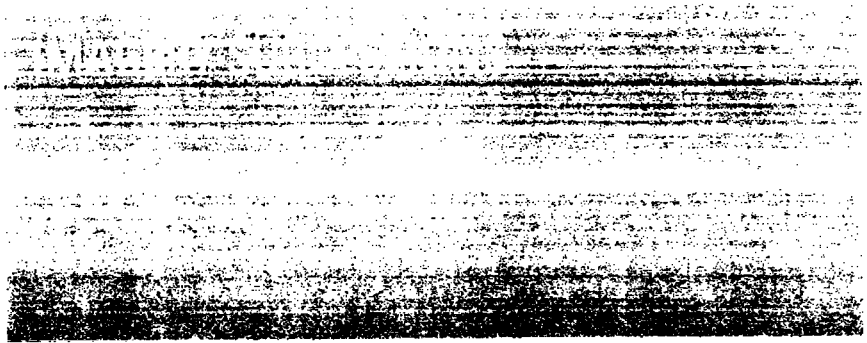
**ENERGY STAR QUALIFIED PROGRAMMABLE THERMOSTATS**

**KEY SALES MESSAGES:**

- ENERGY STAR is a U.S. government-backed symbol of energy efficiency.
- No sacrifice, only improvements and savings.













**ENERGY STAR qualified programmable thermostats:**

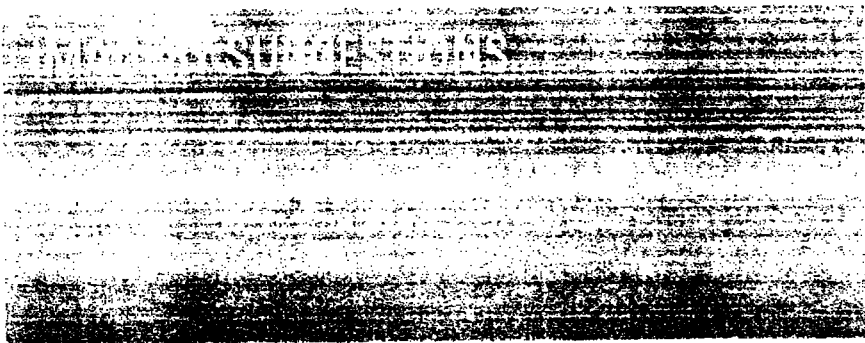
- Save up to 23% on heating and cooling and reduce greenhouse gas emissions, greenhouse gas and the U.S. Department of Energy (DOE) and the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).
- They provide savings of up to \$200 a year on energy costs. Save energy by choosing ENERGY STAR qualified programmable thermostats.



Imagery is a small but very important part of the ENERGY STAR identity. Since imagery will be selected by many different sources, we have defined specific attributes that can be used as a guide for imagery selection. In addition, images will often be used in many applications that will limit any selection to royalty-free imagery only. Imagery should be chosen that is suggestive of our goals—protecting our environment for future generations and collective participation by consumers and partners. Choose imagery that:

- has the suggestion or actual presence of sky including the presence of sky through a window if it is an interior shot;
- has the participation of an individual or individuals. Family situations are preferred;
- conveys activity rather than passivity;
- suggests positiveness;
- shows simplicity rather than complexity.

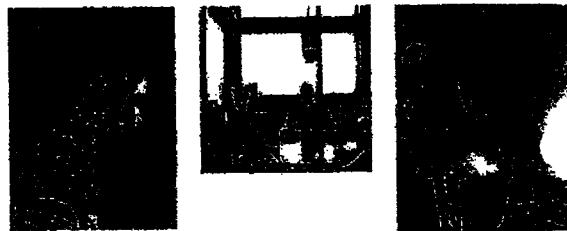
<p>Blue Sky, Clouds, Atmosphere</p> 		
<p>People 1</p> 		
<p>People 2</p> 		
<p>People 3</p> 		



Heating and Cooling Products



Lighting Products



Consumer Electronics



Appliances



Education



Home Sealing



New Homes Construction



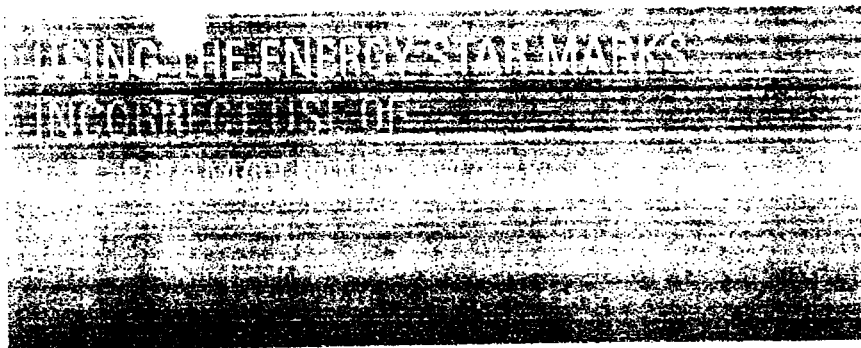
Commercial and Industrial



Office Products



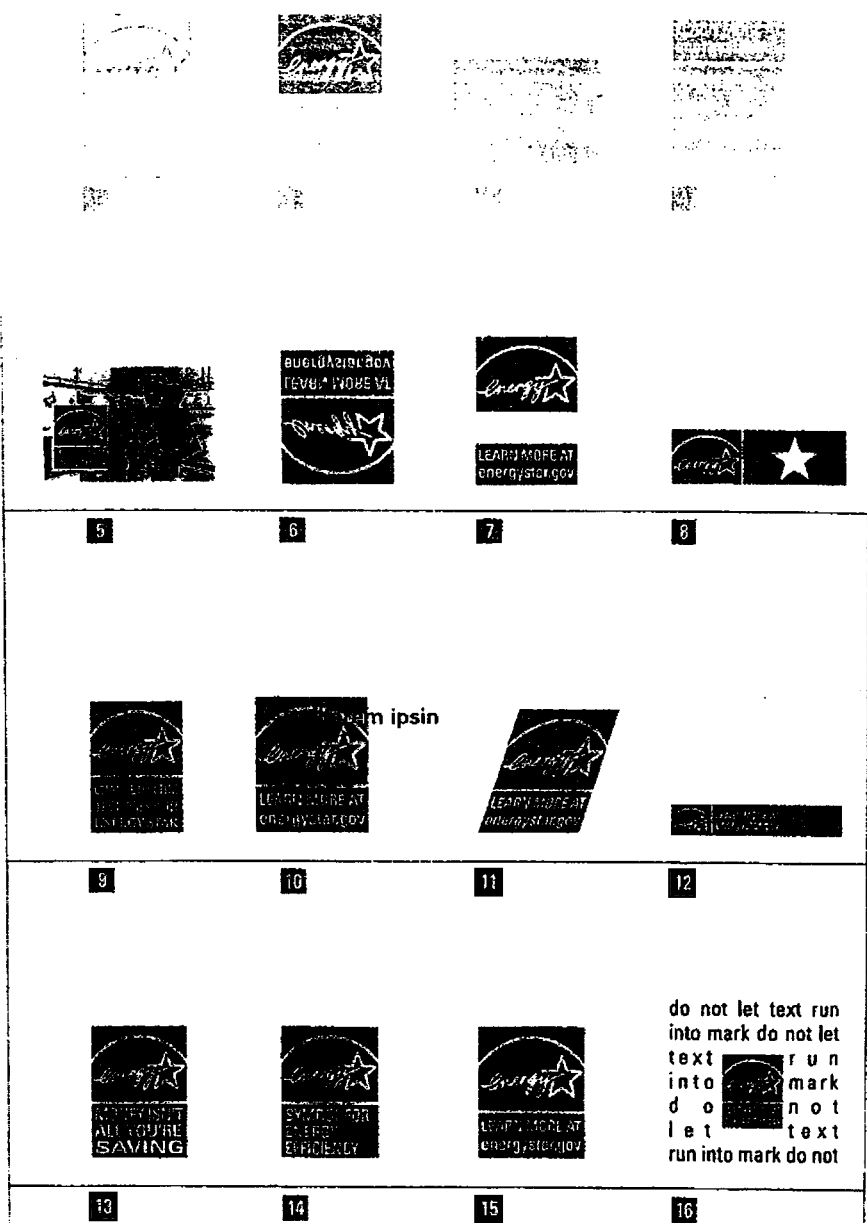




Please:

- Do not use on any product, home, or building to signify qualification with ENERGY STAR.
  - Do not use to imply that any product, service, or organization has met ENERGY STAR performance criteria.
  - Do not use on letterhead, business cards, and other stationery.
  - Do not use to denote ENERGY STAR partnership or endorsement.
  - Do not use to imply that the government is funding ENERGY STAR financing and mortgages.
  - Do not use in advertisements featuring non-qualified products, homes, or buildings.
  - Do not include on promotional materials on or adjacent to a non-qualified product, home, or building.
  - Do not use the ENERGY STAR symbol without the ENERGY STAR messaging block.
1. Do not make the mark an outline. Do not use a white mark on a white background.
  2. Do not change the colors of the mark.
  3. Do not distort the mark in any way.
  4. Do not alter the lock up of the mark.
  5. Do not place the mark on a busy image.
  6. Do not rotate the mark.
  7. Do not separate any of the mark's elements.
  8. Do not substitute any part of the mark.
  9. Do not use any other typeface to replace part of the mark.
  10. Do not violate the clear space of the mark.
  11. Do not skew the mark.
  12. Do not change the size of the mark lock up.
  13. Do not use the old tagline "Money Isn't All You're Saving."
  14. Do not replace the approved wording.
  15. Do not apply the ENERGY STAR marks in an unapproved color.
  16. Do not let text run into the mark.

When reproducing the marks please:

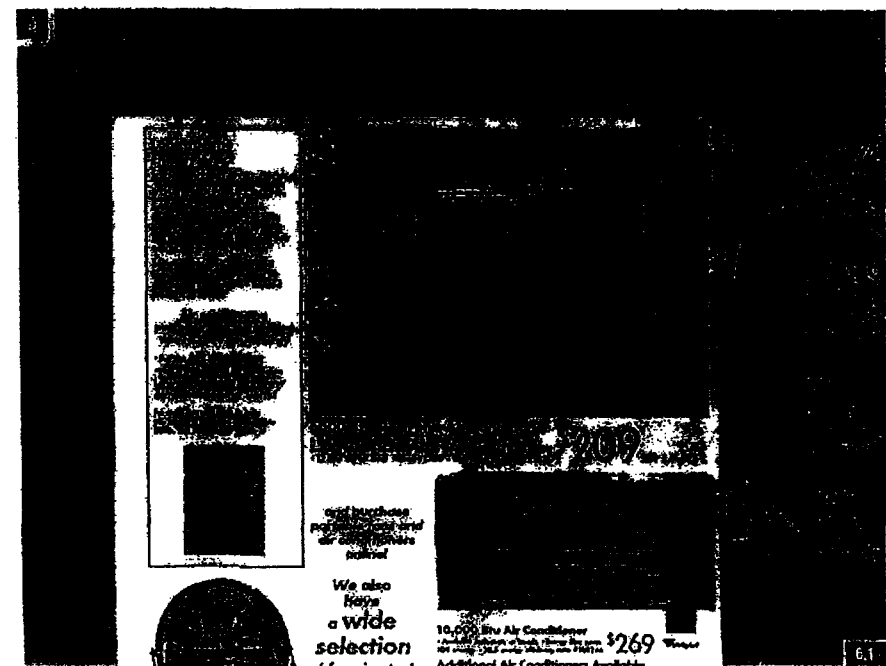
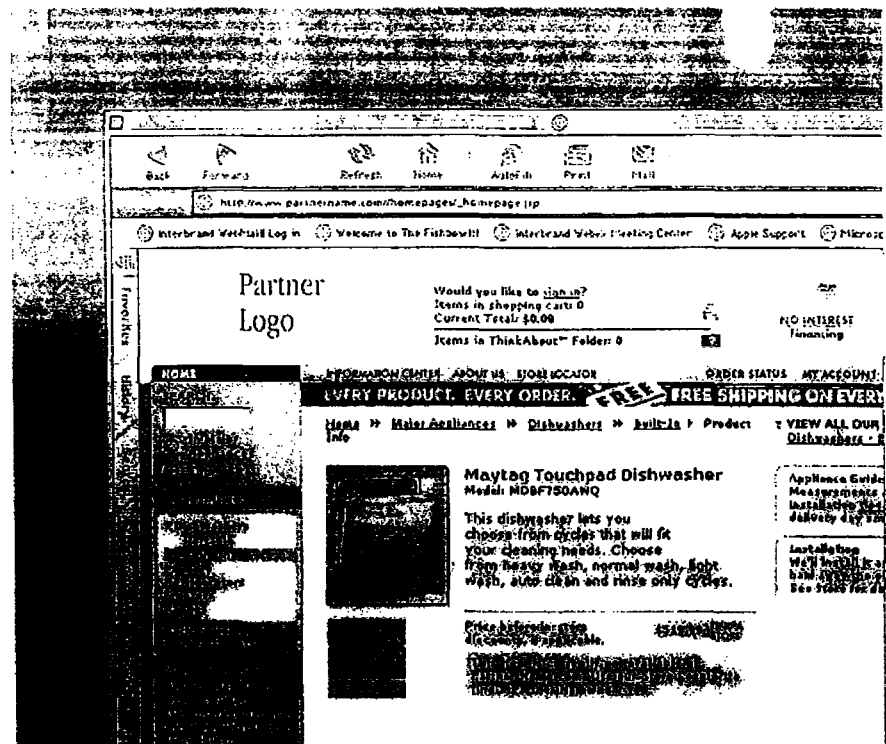
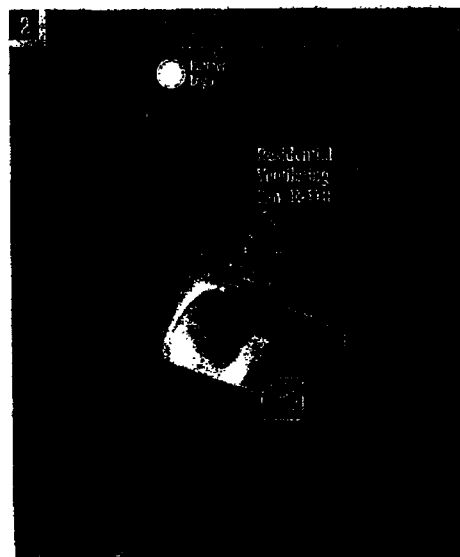


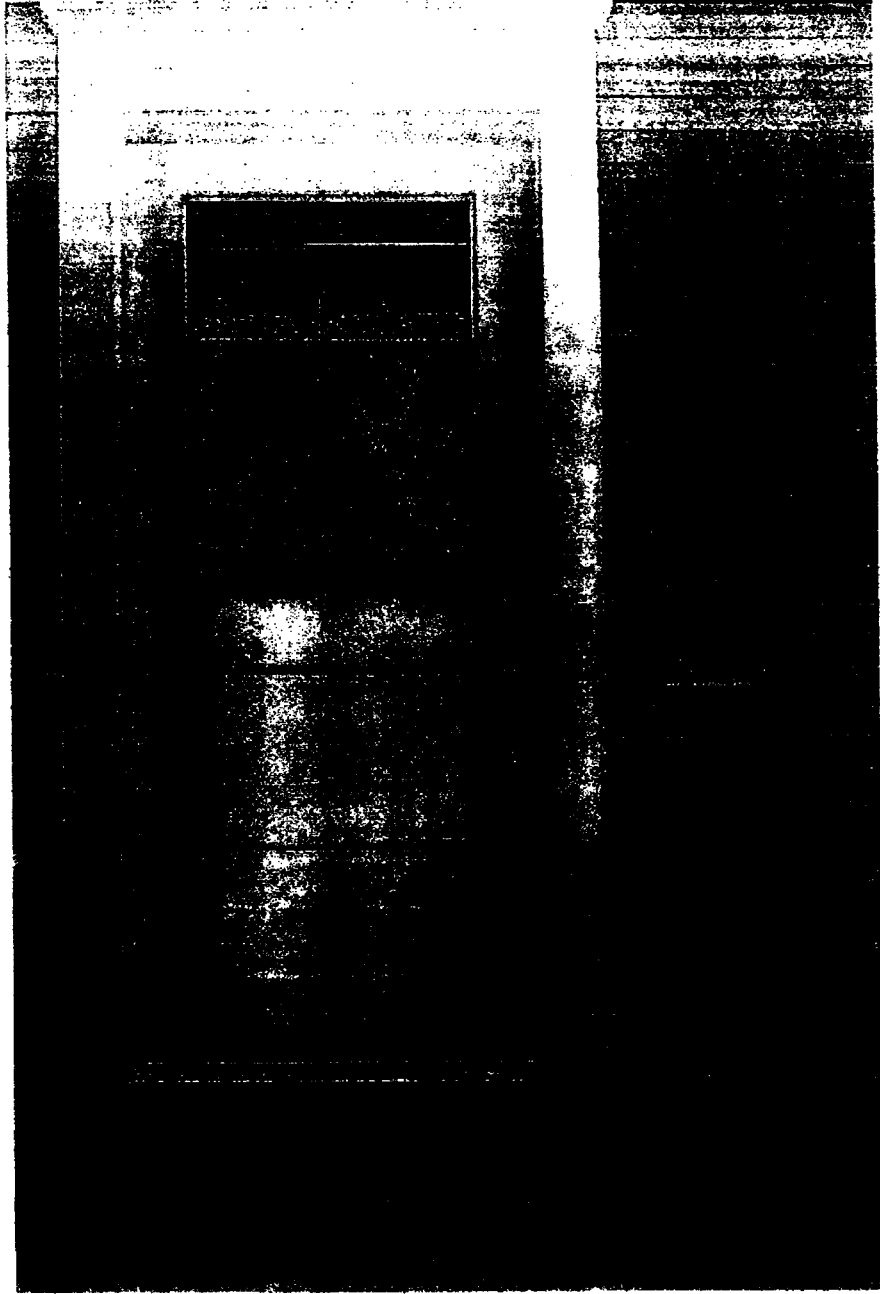
Use the Certification Mark as a label on products, homes and buildings that meet or exceed ENERGY STAR performance guidelines.

Examples of common uses of the Certification Mark are provided on the following pages. They illustrate our recommendations (see pages 6.0-6.3) on how to get the greatest value of the Certification Mark.

Uses of the Certification Mark include:

- On a qualifying product; **1**
- In product literature for a qualifying product; **2**
- On the Web to identify a qualifying product; **3**
- In advertisements where it is used near to or on a qualifying product; **4**
- On a qualifying new home; **5**
- On Point of Purchase materials; **6**
- One qualifying product packaging; **7 8**
- On a qualifying building.

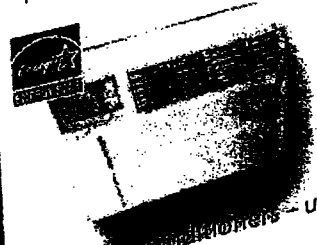




Partner Logo

Save energy.  
Save money.  
Save the environment!

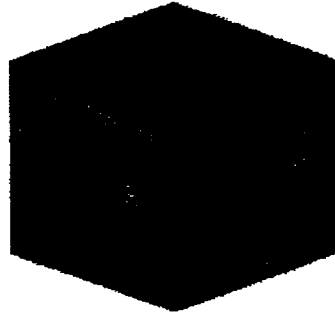
Cash-Back Rewards on ENERGY STAR<sup>®</sup> qualified:



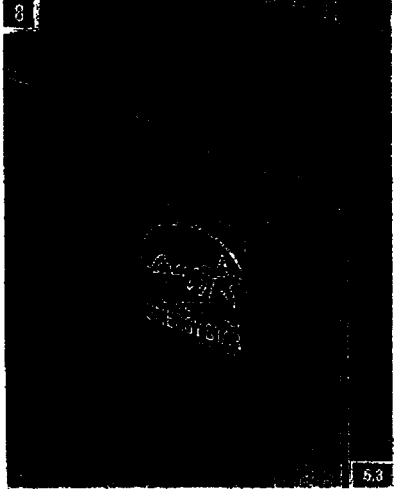
Room air conditioners — up to \$40

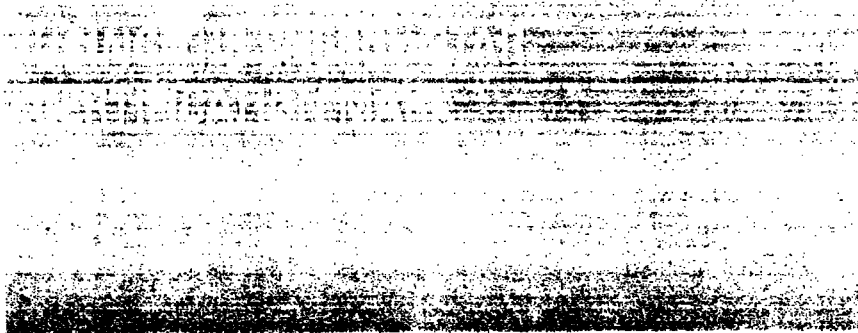
Make a cool change to  
ENERGY STAR

7



8





**ONE VERSION 1**

Use only one version of the Certification Mark. We created this Certification Mark to maximize the footprint of the mark and for contrast and legibility. The mark includes an ENERGY STAR Symbol block and an attached messaging block. In the case of the Certification Mark the messaging is the ENERGY STAR name itself to reinforce the legibility of the symbol. The two blocks are separated by a white rule equal in thickness to the arc within the symbol. The mark also has a white keyline around it that is also equal in thickness to the arc within the symbol.

**CLEAR SPACE 2**

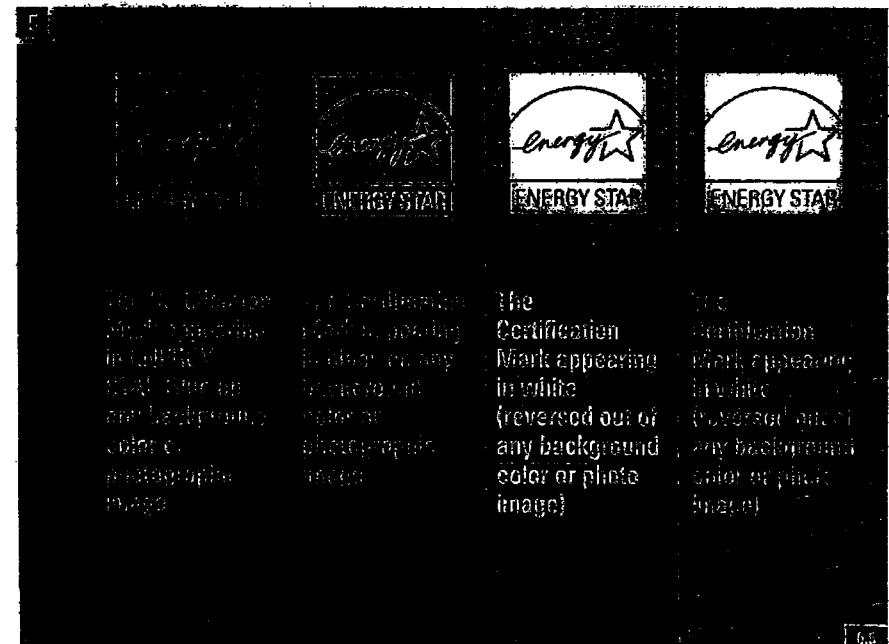
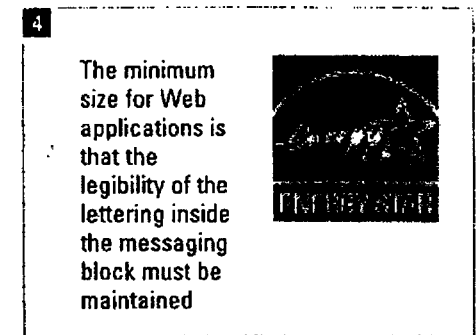
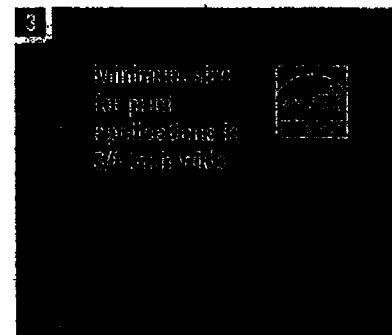
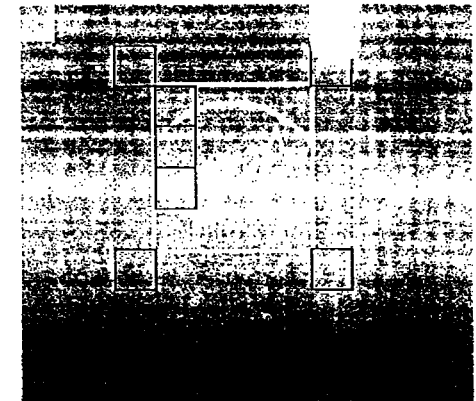
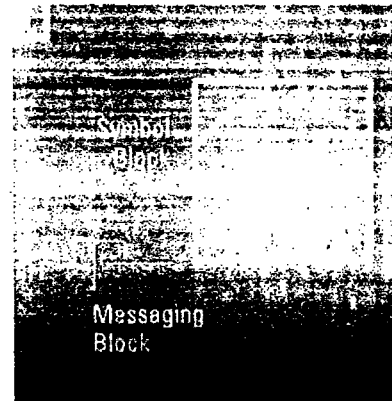
We require that a clear space of .333 (1/3) the height of the graphic box within the mark should surround the mark at all times. No other graphic elements, such as text and images can appear in this area. We require this clear space since the Certification Mark frequently appears on materials using complex imagery such as other marks, graphic devices and text.

**MINIMUM SIZE 3**

The solid color with white graphics and keyline assure a high level of protection for the mark itself. The mark may be resized, but the proportions must be maintained. For legibility, we recommend that the mark not be reproduced smaller in width than .375 inch (3/8") for print. Lettering legibility inside the mark must be maintained on the Web.

**PREFERRED COLOR 4**

The preferred color for the Certification Mark is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The preferred application of the Certification Mark is ENERGY STAR Blue, as shown in these examples. It demonstrates how clear, strong and easy-to-remember simple geometry combined with a strong color can be. The Web color equivalent of ENERGY STAR Blue is hex color #0099FF. If multicolor printing is available for advertising, product literature, or point of purchase materials the Certification Mark should be printed in ENERGY STAR Blue. If ENERGY STAR Blue is not available then the black can be substituted.



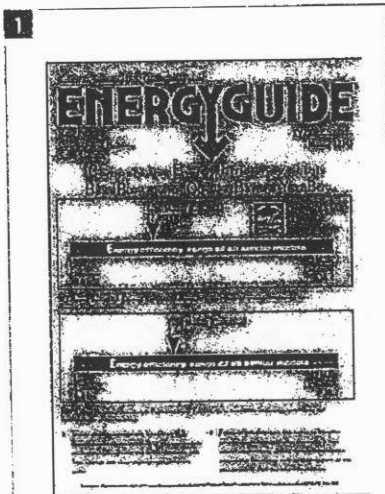
**ENERGY GUIDE LABEL 1 2**

The Certification Mark has been approved by the Federal Trade Commission to appear on the Energy Guide label (required by the Department of Energy on all appliances and HVAC equipment). Given the format of the ENERGY STAR label, the Certification Mark appearing in black should be used.

**HVAC EQUIPMENT 3**

When using the ENERGY STAR Certification mark on or near a qualifying heat pump or central air conditioner, the following disclaimer 4 must appear: "This product meets ENERGY STAR requirements when appropriate coil components are used. Ask your contractor for details."

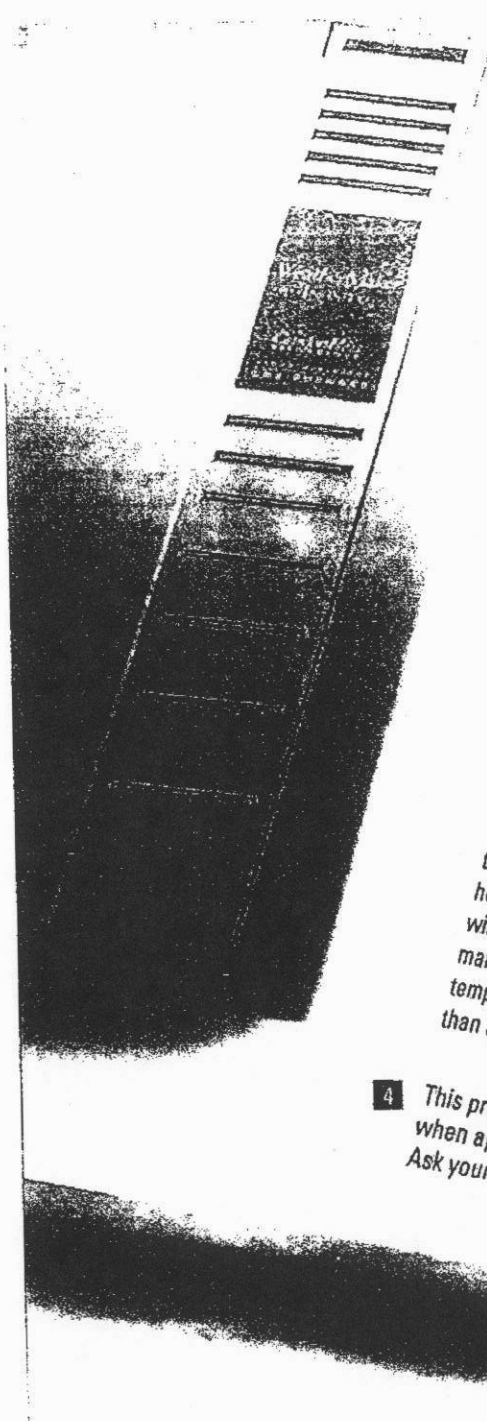
The illustrations on this page are additional examples of applying the Certification Mark and applying the disclaimer language.



Efficiency of this  
before You Buy.

**ENERGY STAR**  
A symbol of  
energy efficiency

Most  
Efficient  
16.4



**Programmable Thermostat:**  
Automatically adjust your home to help save energy when you're not at home. Within a few years, you will pay for themselves in energy saved by maintaining the highest or lowest temperatures for four to five hours rather than a full 24 hours.

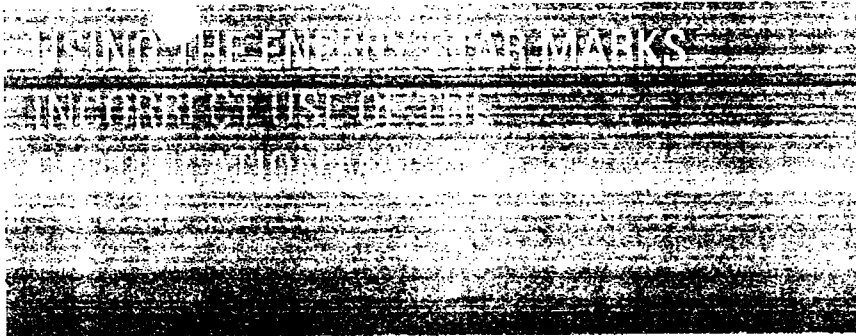
ENERGY STAR qualified heating appliances can save 10-40 percent on heating bills and may also improve the comfort level.

**Air Conditioners**  
Compared to conventional models, ENERGY STAR qualified central air conditioners and heat pumps reduce energy waste by about 10 percent, respectively. Replacing an old air conditioner with a new ENERGY STAR qualified unit saves about \$50 per year in electricity depending on climate and the size of the unit you're replacing.

**Boilers**  
An ENERGY STAR qualified boiler with technologies such as electric ignition and sealed combustion can save about 10 percent on heating bills.

**Programmable Thermostats**  
Automatically adjust your home's temperature settings to help save energy when you're asleep or not at home. Within a few years, programmable thermostats will pay for themselves in energy saved by maintaining the highest or lowest required temperatures for four to five hours each day, rather than a full 24 hours.

4 This product meets ENERGY STAR requirements when appropriate coil components are used. Ask your contractor for details.



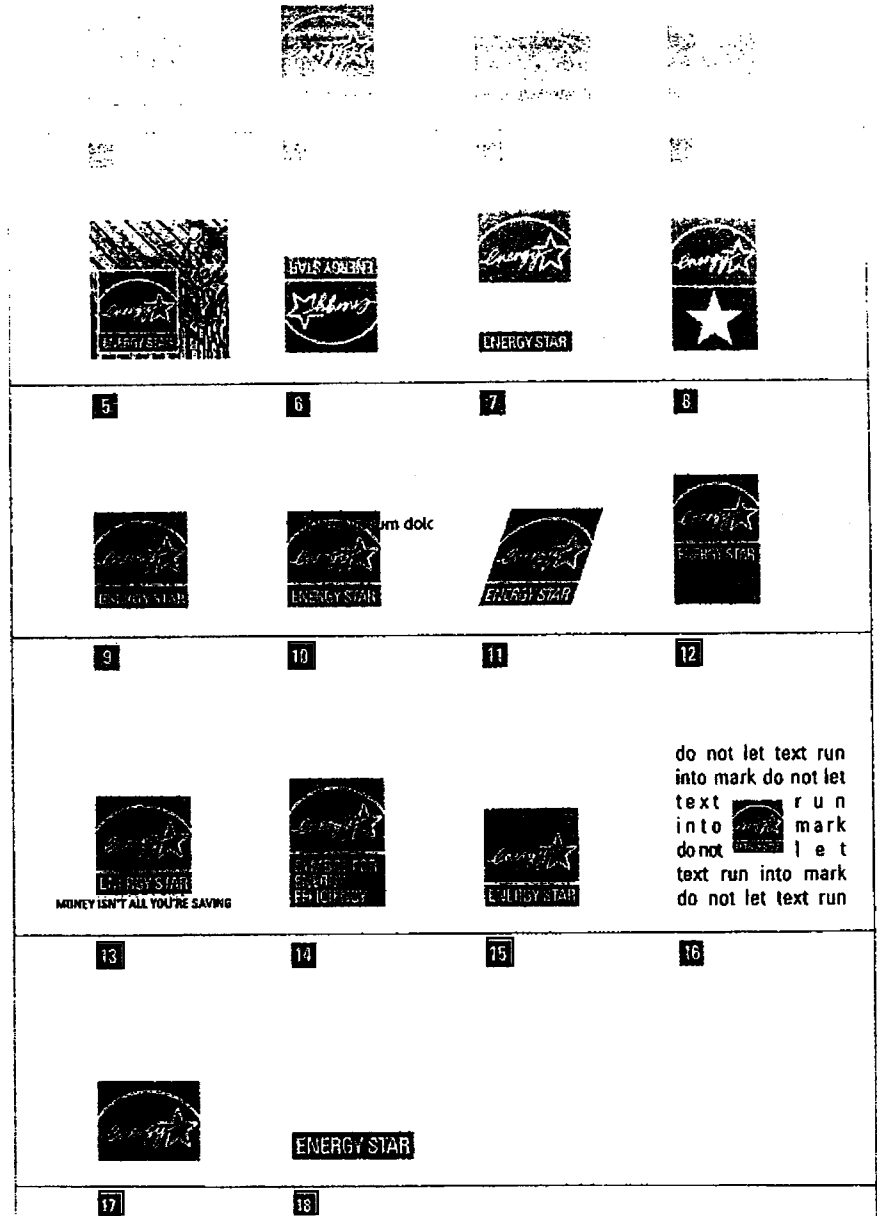
Please:

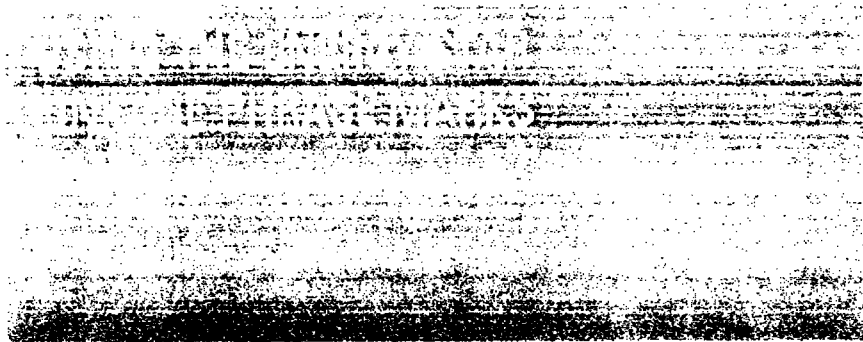
- Do not use the Certification Mark on non-qualifying product, homes, or buildings.
- Do not alter the Certification Mark by using the ENERGY STAR symbol without the messaging block containing the name "ENERGY STAR."

When reproducing the marks please:

1. Do not make the mark an outline. Do not use a white mark on a white background.
2. Do not change the colors of the mark.
3. Do not distort the mark in any way.
4. Do not alter the lock up of the mark.
5. Do not place the mark on a busy image.
6. Do not rotate the mark.
7. Do not separate any of the mark's elements.

8. Do not substitute any part of the mark.
9. Do not use any other typeface to replace part of the mark.
10. Do not violate the clear space of the mark.
11. Do not skew the mark.
12. Do not change the size of the mark lock up.
13. Do not use the old tagline "Money Isn't All You're Saving."
14. Do not replace the approved wording.
15. Do not apply the ENERGY STAR marks in an unapproved color.
16. Do not let text run into the mark.
17. Do not use only the symbol block. The messaging block must appear as well.
18. Do not delete the symbol block from the mark.





Use the ENERGY STAR Linkage Phrase Marks in marketing and advertising material to show that a company carries ENERGY STAR qualified products or services that meet guidelines set by EPA. It may be used on an array of promotional materials that feature ENERGY STAR, like retail circulars, point-of-purchase displays, sales materials, T-shirts and hats, company-owned cars and vans, etc. There are two approved Linkage Phrase Marks offering the following message options:

- "ASK ABOUT ENERGY STAR";
- "WE SELL ENERGY STAR."

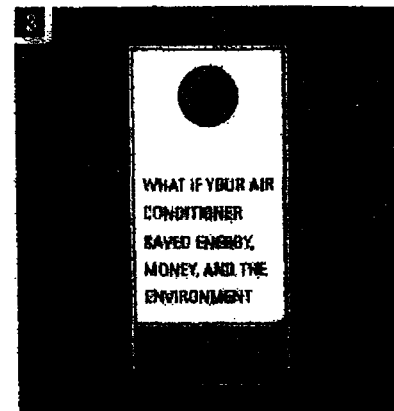
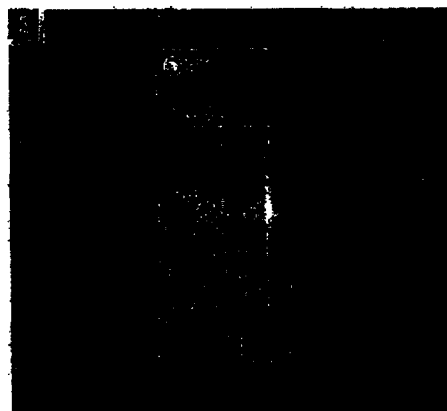
Any party interested in marketing ENERGY STAR qualified products or services that meet the strict guidelines set by EPA/DOE may use the Linkage Phrase Marks, once it enters into an agreement with EPA/DOE to abide by the terms of these Guidelines. A party is not required to sign a Partnership

Agreement or Partnership Letter. These marks were created particularly for dealers and distributors who work with ENERGY STAR manufacturing partners, HVAC and roofing contractors, remodelers, and other similar organizations.

Examples of many of these applications are provided in these pages and illustrate the recommendations, provided below, for getting the greatest value from the use of the Linkage Phrase Marks.

Uses of the Linkage Phrase Marks include:

- Promotional materials **2** or advertisements **1** in a general location that is not product-specific;
- Point of Purchase materials; **3**
- Web sites;
- Stationery such as letterhead, fax cover sheets, business cards, etc.



**SAMPLE EXPLANATIONS FOR USE WITH THE LINKAGE PHRASE MARK**

Use the following explanations to help educate consumers about ENERGY STAR in conjunction with the Linkage Phrase Marks:

- "Products/homes/buildings that have earned the ENERGY STAR® are designed to protect the

environment through superior energy efficiency."

- "Choose energy-efficient products/ homes/buildings that have earned the ENERGY STAR®. It's an easy way to protect the environment while also saving money."

**PLACEMENT**

In advertisements, we prefer that the Linkage Phrase Mark appear at the top or bottom of the ad along with the organization name or in some other general location that is not product-specific. It is important to note that the mark must never be associated with any specific product models; use the Certification Mark for this purpose. If multiple models are featured in an advertisement and some of them do not meet the ENERGY STAR guidelines, the Linkage Phrase Mark may be used to indicate that ENERGY STAR qualified models are available without specifically identifying them.

**TWO VERSIONS 1**

We have created two versions of the Linkage Phrase Mark, each including the ENERGY STAR symbol block and an attached messaging block. The messaging block holds the linkage phrases that associate the user with ENERGY STAR qualifying product or services that meet ENERGY STAR performance guidelines. The two blocks are separated by a white rule equal in thickness to the arc within the symbol. The mark also has a white

keyline around it that is also equal in thickness to the arc within the symbol.

**CLEAR SPACE 2**

We require that a clear space of .333 (1/3) the height of the graphic box within the mark should surround the mark at all times. No other graphic elements, such as text and images can appear in this area. We require this clear space since the Linkage Phrase Mark frequently appears within materials using complex imagery such as other marks, graphic devices and text.

**MINIMUM SIZE 3**

The mark may be resized, but the proportions must be maintained. For legibility, we recommend that the graphic box within the mark not be reproduced smaller in height than .375 inch (3/8") for print. Lettering legibility inside the mark must be maintained on the Web. 4

**PREFERRED COLOR 5**

The preferred color for the Linkage Phrase Mark is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The Web color equivalent of ENERGY STAR Blue is hex color #0099FF.





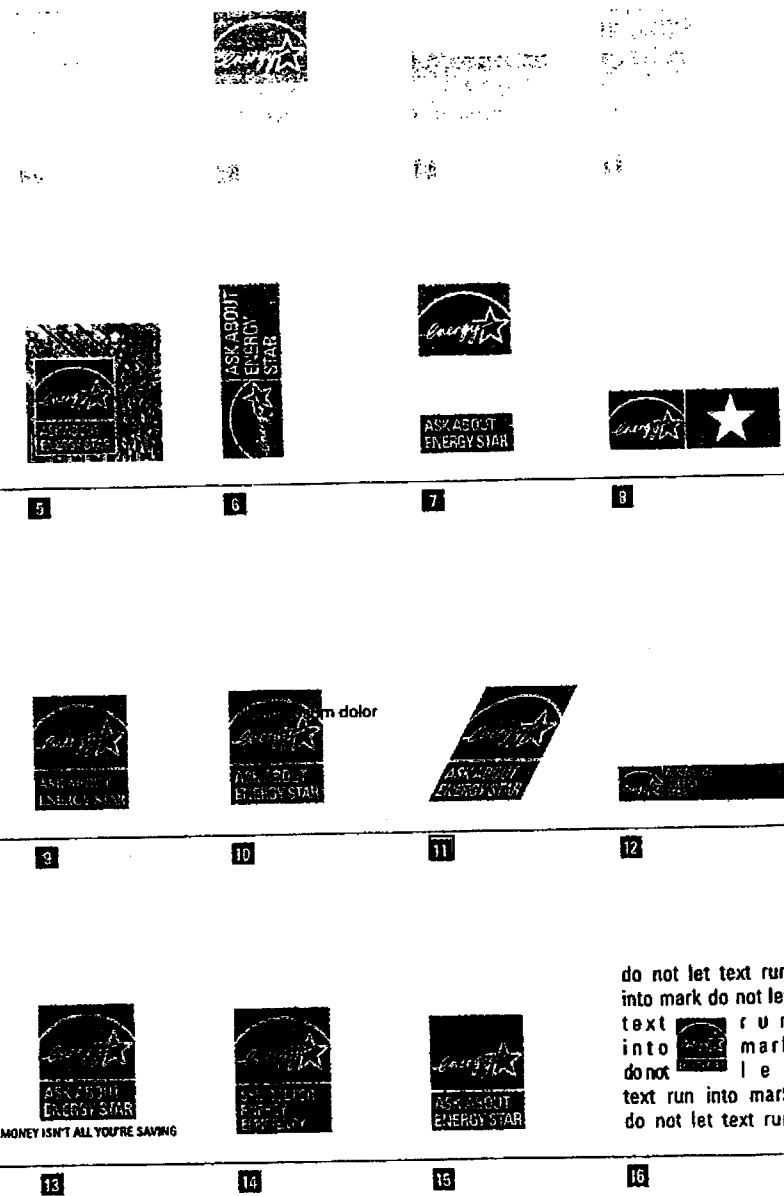
# ENERGY STAR MARKS

**Please:**

- Do not use on any product, home, or building.
- Do not use to imply that any organization has met the ENERGY STAR performance criteria.
- Do not use to denote ENERGY STAR partnership or endorsement.
- Do not use to imply that the government is funding ENERGY STAR financing and mortgages.
- Do not use the ENERGY STAR symbol without the messaging block (containing the linkage phrase).

**When reproducing the mark please:**

1. Do not make the mark an outline. Do not use a white mark on a white background.
2. Do not change the colors of the mark.
3. Do not distort the mark in any way.
4. Do not alter the lock up of the mark.
5. Do not place the mark on a busy image.
6. Do not rotate the mark.
7. Do not separate any of the mark's elements.
8. Do not substitute any part of the mark.
9. Do not use any other typeface to replace part of the mark.
10. Do not violate the clear space of the mark.
11. Do not skew the mark.
12. Do not change the size of the mark lock up.
13. Do not use the old tagline "Money Isn't All You're Saving."
14. Do not replace the approved wording.
15. Do not apply the ENERGY STAR marks in an unapproved color.
16. Do not let text run into the mark.

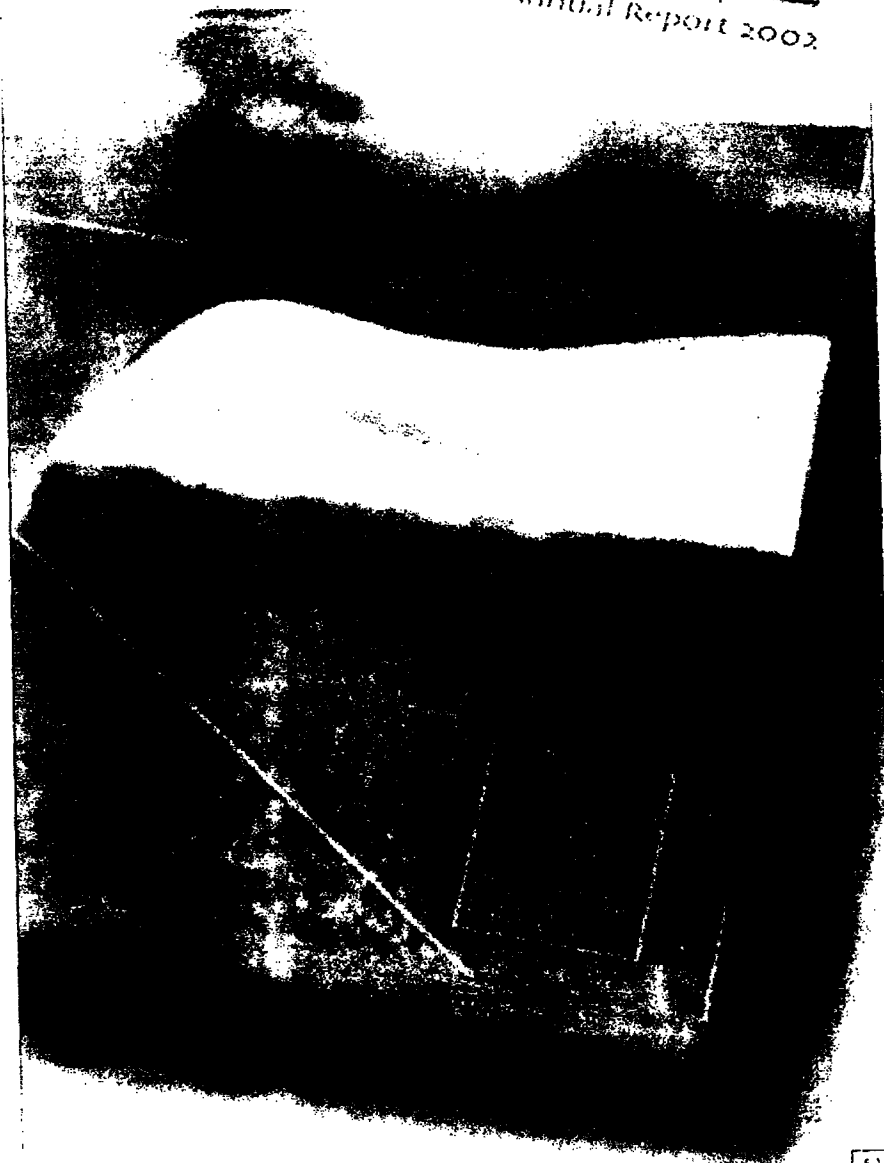
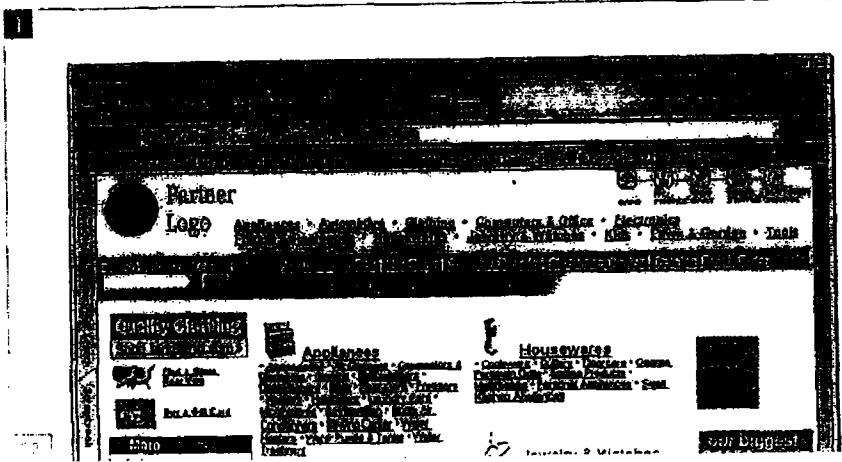


ENERGY STAR is united with its partners, manufacturers, retailers and builders, in the pursuit of a common goal—to protect our environment for future generations. More than 7,000 business and organizations have become partners. The Partnership Mark offers them an easy way to communicate their commitment to energy efficiency and the environment through ENERGY STAR. Any organization that has signed a Partnership Agreement or Partnership Letter with ENERGY STAR can use this mark to communicate their commitment.

Common uses of the Partnership Mark to feature the organization's partnership with EPA or DOE include:

- Stationery;
- Web sites; **1**
- Annual reports. **2**

Examples of these applications are provided on these pages and illustrate the recommendations for getting the greatest value from the use of the Partnership Mark.



## TWO VERSIONS 1

We have created two versions of the Partnership Mark, each including the ENERGY STAR symbol block and an attached messaging block. The messaging block contains the affiliation words "ENERGY STAR Partner." The two blocks are separated by a white rule equal in thickness to the arc within the symbol. The mark also has a white keyline around it that is also equal in thickness to the arc within the symbol.

## CLEAR SPACE 2

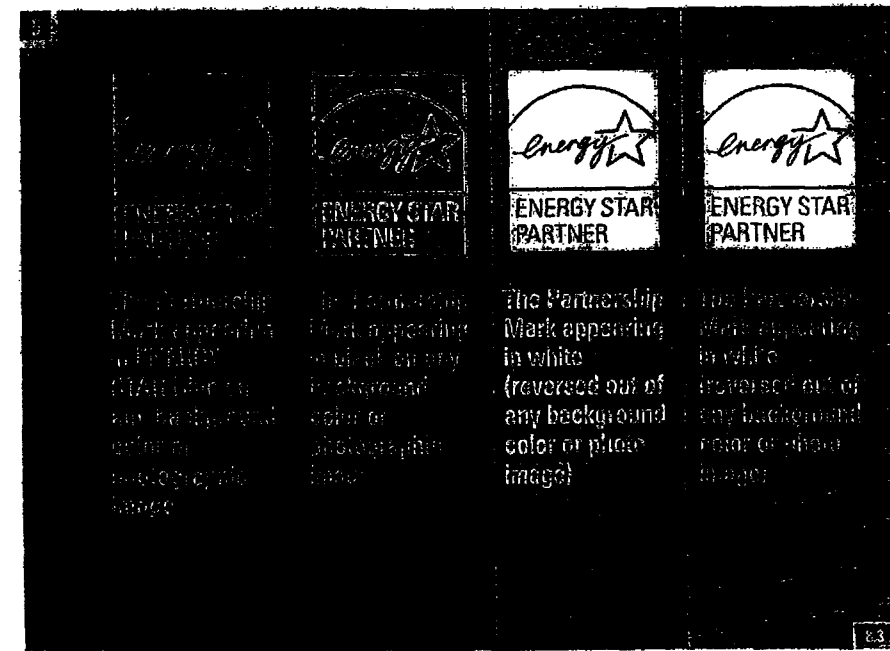
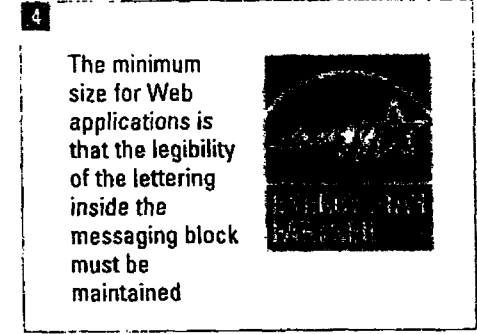
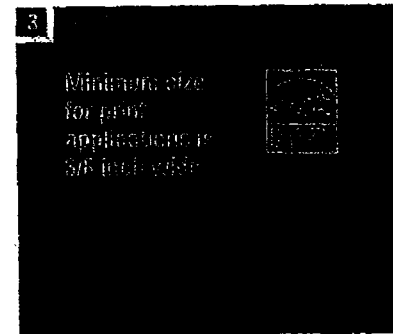
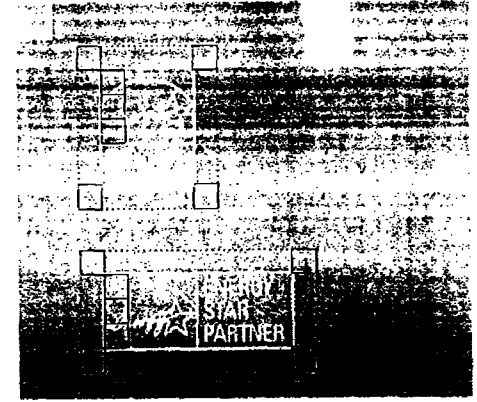
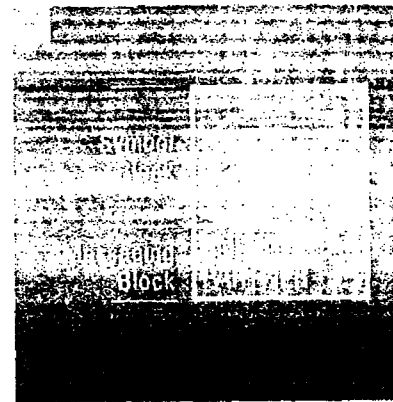
We require that a clear space of .333 (1/3) the height of the graphic box within the mark should surround the mark at all times. No other graphic elements, such as text and images can appear in this area.

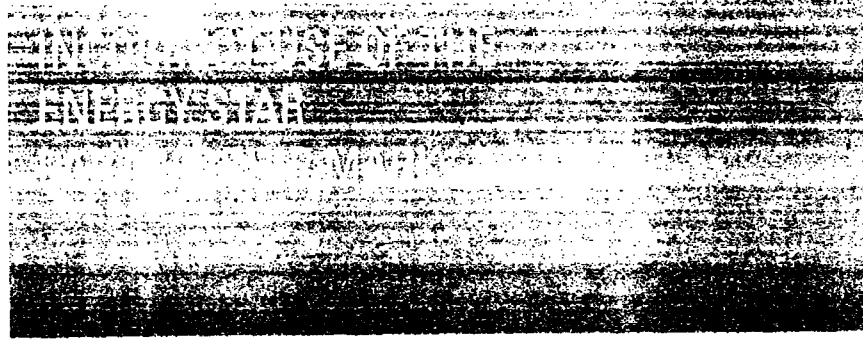
## MINIMUM SIZE 3

The mark may be resized, but the proportions must be maintained. For legibility, we recommend that the graphic box within the mark not be reproduced smaller in height than .375 inch (3/8") for print. Lettering legibility inside the mark must be maintained on the Web. 4

## PREFERRED COLOR 5

The preferred color for the Partnership Mark is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The Web color equivalent of ENERGY STAR Blue is hex color #0099FF.





**Please:**

- Do not use the Partnership Mark to denote or imply EPA or DOE endorsement of an organization and its products or services.
- Do not use the ENERGY STAR symbol without the messaging block (containing the words "ENERGY STAR Partner").

**When reproducing the marks please:**

1. Do not make the mark an outline. Do not use a white mark on a white background.
2. Do not change the colors of the mark.
3. Do not distort the mark in any way.
4. Do not alter the lock up of the mark.
5. Do not place the mark on a busy image.

6. Do not rotate the mark.
7. Do not separate any of the mark's elements.
8. Do not substitute any part of the mark.
9. Do not use any other typeface to replace part of the mark.
10. Do not violate the clear space of the mark.
11. Do not skew the mark.
12. Do not change the size of the mark lock up.
13. Do not use the old tagline "Money Isn't All You're Saving."
14. Do not replace the approved wording.
15. Do not apply the ENERGY STAR marks in an unapproved color.
16. Do not let text run into the mark.

5	6	7	8
9	10	11	12
13	14	15	16

do not let text run into mark do not let text run into mark do not let text run into mark do not let text run into mark

In addition to the ENERGY STAR marks, EPA has developed two graphics that may be used by interested parties to educate consumers about particular ways to improve the efficiency of their homes.

#### THE ENERGY STAR HOME SEALING MARKETING GRAPHIC

Use the ENERGY STAR Home Sealing Marketing Graphic to promote a set of products that, when used together, serve to seal a home's envelope and reduce energy use. The graphic may be used in marketing and advertising materials to educate consumers or to show that a company carries either products or services that clearly contribute to the improvement of the home envelope as recommended by EPA's ENERGY STAR Program. It must be placed in a general location that is not product-specific. It may not appear on products or product labels.

Any party may use this graphic once it enters into an agreement with EPA to abide by the terms of these Guidelines. A party is not

required to sign a Partnership Agreement or Partnership Letter.

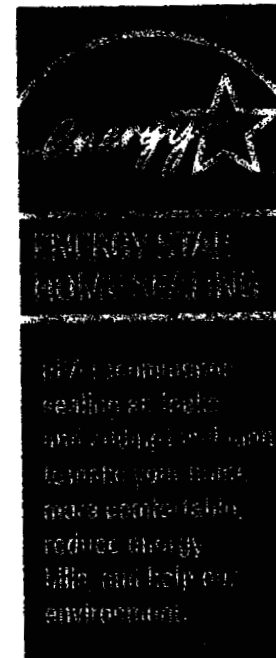
We have created a horizontal and a vertical version of the Home Sealing Marketing Graphic **1 2** to give organizations flexibility in use. The preferred color for the Home Sealing Marketing Graphic is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The reversed out white version may only be used on top of a dark background.

EPA must approve use of the Home Sealing Marketing Graphic as well as program facts that feature the ENERGY STAR name prior to final production or printing. The submitted materials will be reviewed for consistency with these guidelines within five (5) business days of receipt of the materials. Materials should be submitted to your primary program contact.

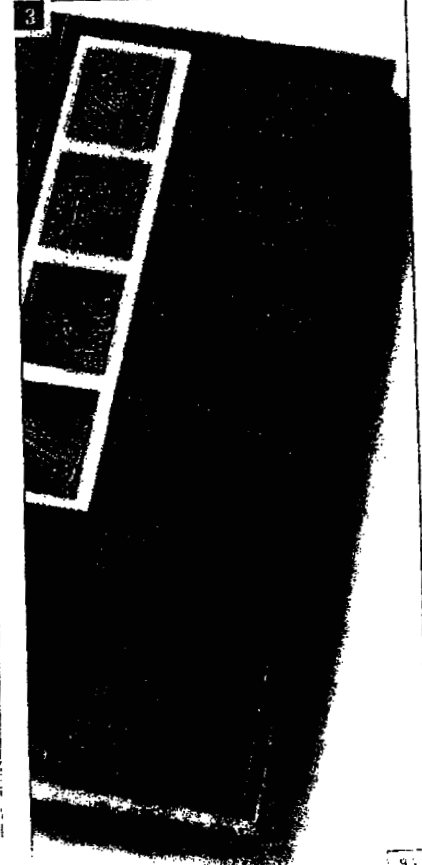
**ENERGY STAR  
HOME SEALING**

comfortable,  
reduce energy  
bills, and help our  
environment.

2



3



**ENERGY STAR INSULATION PRODUCTS GRAPHIC**

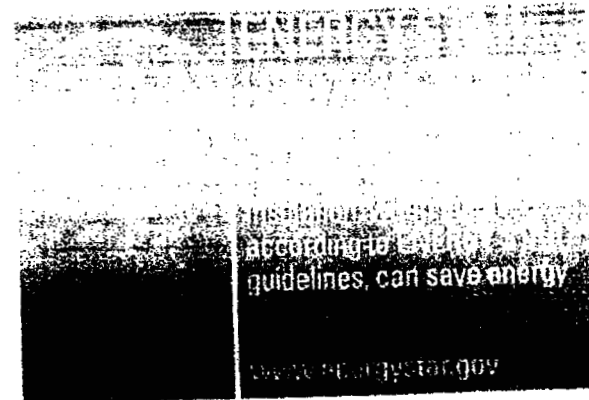
Use the ENERGY STAR Insulation Products Graphic to identify insulation products which qualify for ENERGY STAR. Only insulation manufacturers who have signed a Partnership Agreement may use the graphic.

The Insulation Products Graphic must appear directly on qualified insulation products or, where appropriate, **3** on product labels or packaging that is attached to or contains the actual insulation product. The insulation products graphic should never appear in advertisements or other promotional materials, print or electronic.

We have created a horizontal and a vertical version of the Insulation Products Graphic **1 2** to give organizations flexibility in use. The preferred color for the Home

Sealing Graphic is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The reversed out white version may only be used on top of a dark background.

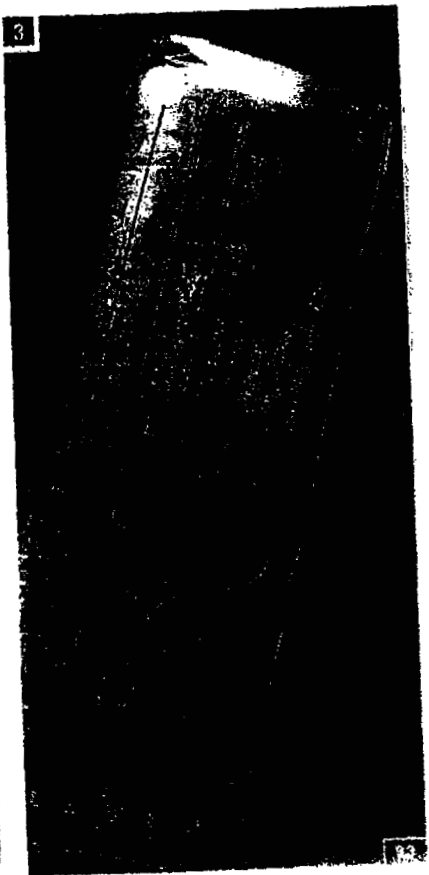
EPA must approve use of the Insulation Product Graphic as well as program facts that feature the ENERGY STAR name prior to final production or printing. The submitted materials will be reviewed for consistency with these guidelines within five (5) business days of receipt of the materials. Materials should be submitted to your primary program contact.



**2**



**3**



Use the Home Performance with ENERGY STAR Marketing Graphic to promote a comprehensive, whole-house energy-efficiency improvement service in accordance with Home Performance with ENERGY STAR criteria outlined in the Home Partnership Agreement. The graphic may be used in marketing and advertising materials to educate consumers or to show that a company provides services that clearly contribute to the integrated improvement of homes' systems as recommended by EPA's ENERGY STAR Program.

Any party delivering services as a participant in a partner-sponsored, whole-house improvement program using Home Performance with ENERGY STAR may use this graphic once it enters into an agreement with a program sponsor and once it agrees to abide by the terms of these guidelines. A program sponsor, that has signed the Home Performance with ENERGY STAR Partnership Agreement, may also use this graphic for program promotion.

**CORRECT USE OF GRAPHIC 1 2**

Use of the graphic includes Promotional and Educational material, and Web sites. Because

Home Performance with ENERGY STAR is a new service, it is recommended that the following language appear next to the Home Performance with ENERGY STAR marketing graphic, 1 2 where applicable, for educational purposes:

*Working to deliver whole-house energy savings to improve comfort and help protect the environment.*

**OTHER PROMOTIONAL USES**

Use of the graphic includes T-shirts, 3 hats, letterhead, business cards, and other stationery; and company-owned cars and vans, etc. 4 It must be placed in a general location that is not product-specific. It may not appear on products or product labels.

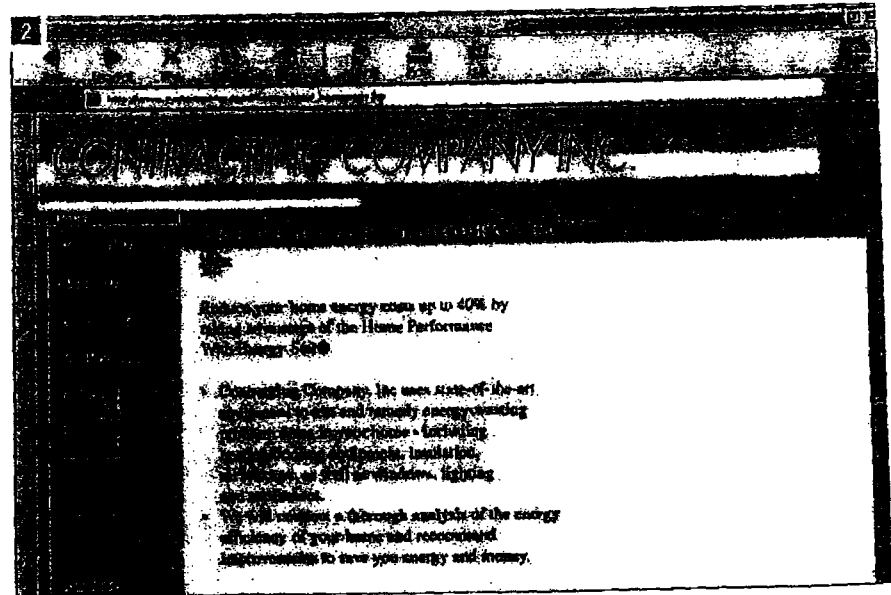
In order to avoid confusion in the marketplace, other ENERGY STAR marks should never be combined or displayed together with the Home Performance with ENERGY STAR Marketing Graphic. For example, if a Home Performance with ENERGY STAR program participant also sells ENERGY STAR qualified windows, the participant should choose to display either the certification mark next to a qualified window or the Home Performance with ENERGY STAR Marketing Graphic to advertise their participation, but not both.

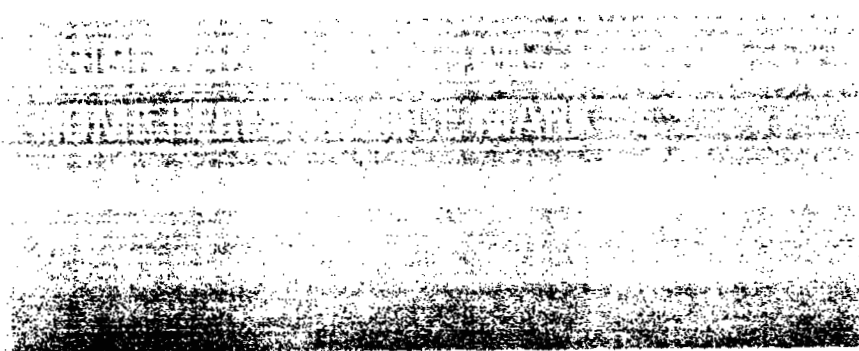
# SAVE MONEY AND ENERGY YEAR AFTER YEAR CONTRACTING COMPANY INC.

Have your home's energy use evaluated and improved by qualified energy professionals.

Contracting Company, Inc. uses state-of-the-art equipment to test and remedy energy-wasting problem areas in your home - including heating/cooling equipment, insulation, air leakage, as well as windows, lighting and appliances.

Street Address, Any Town, ST 000-555-1234  
www.webaddress.com





The program sponsor, as agreed to in the Home Performance with ENERGY STAR Partnership Agreement, is responsible for ensuring that program participants use the graphic consistent with the terms of these guidelines. Additionally, program sponsors should approve program participants' use of the Home Performance with ENERGY STAR Marketing Graphic in marketing and advertising campaigns as well as program facts that feature the ENERGY STAR name prior to final production or printing.

**HORIZONTAL AND VERTICAL VERSIONS 1 2**

There are two versions of the graphic—horizontal and vertical. Both include an ENERGY STAR Symbol block and a messaging block. The vertical mark is the preferred Home Performance with ENERGY STAR Marketing Graphic.

**CLEAR SPACE 3**

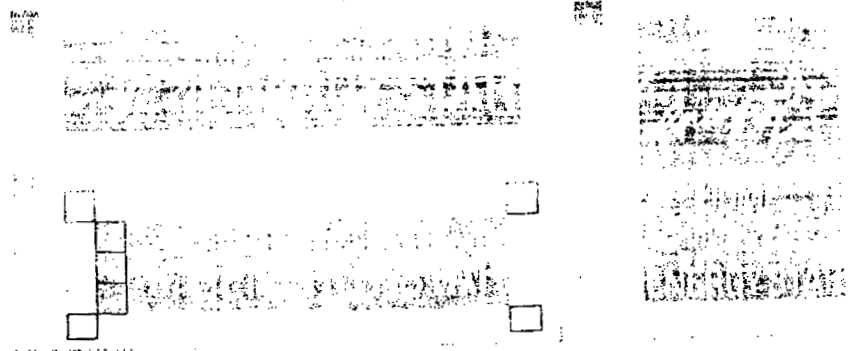
We require that a clear space of 0.333 (1/3) of the height of the graphic box within the label should surround the label at all times. No other graphic elements, such as text and images, can appear in this area.

**MINIMUM SIZE 4 5**


The graphic may be resized, but the proportions must be maintained. For legibility, we recommend that the graphic not be reproduced smaller in width than 0.375 inch (3/8") for print. Lettering legibility inside the graphic must be maintained on the Web.

**PREFERRED COLOR 6**


The preferred color for the Home Performance with ENERGY STAR Marketing Graphic is ENERGY STAR Blue (100% Cyan). Alternate versions in black or reversed out to white are allowed. The reversed out to white version may only be used on top of a dark background. The Web color equivalent of ENERGY STAR Blue is hex color #0099FF. If multicolor printing is available for advertising, product literature, or point of purchase materials, the Home Performance graphic should be printed in ENERGY STAR Blue. If ENERGY STAR Blue is not available, then the black can be substituted.



**4** Minimum size for print applications is 3/8 inch wide



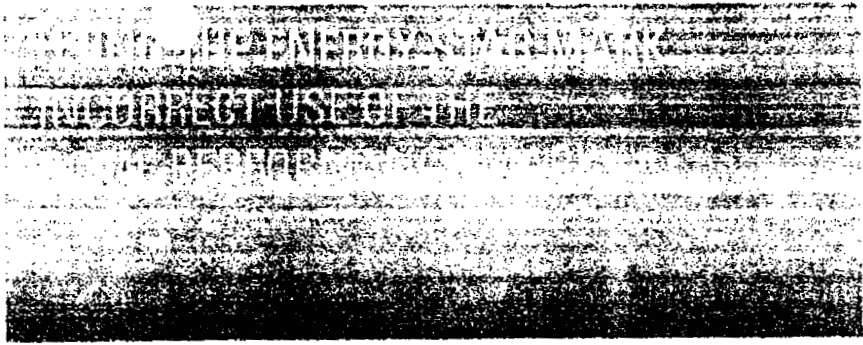
**5** The minimum size for Web applications is that the legibility of the lettering inside the messaging block must be maintained



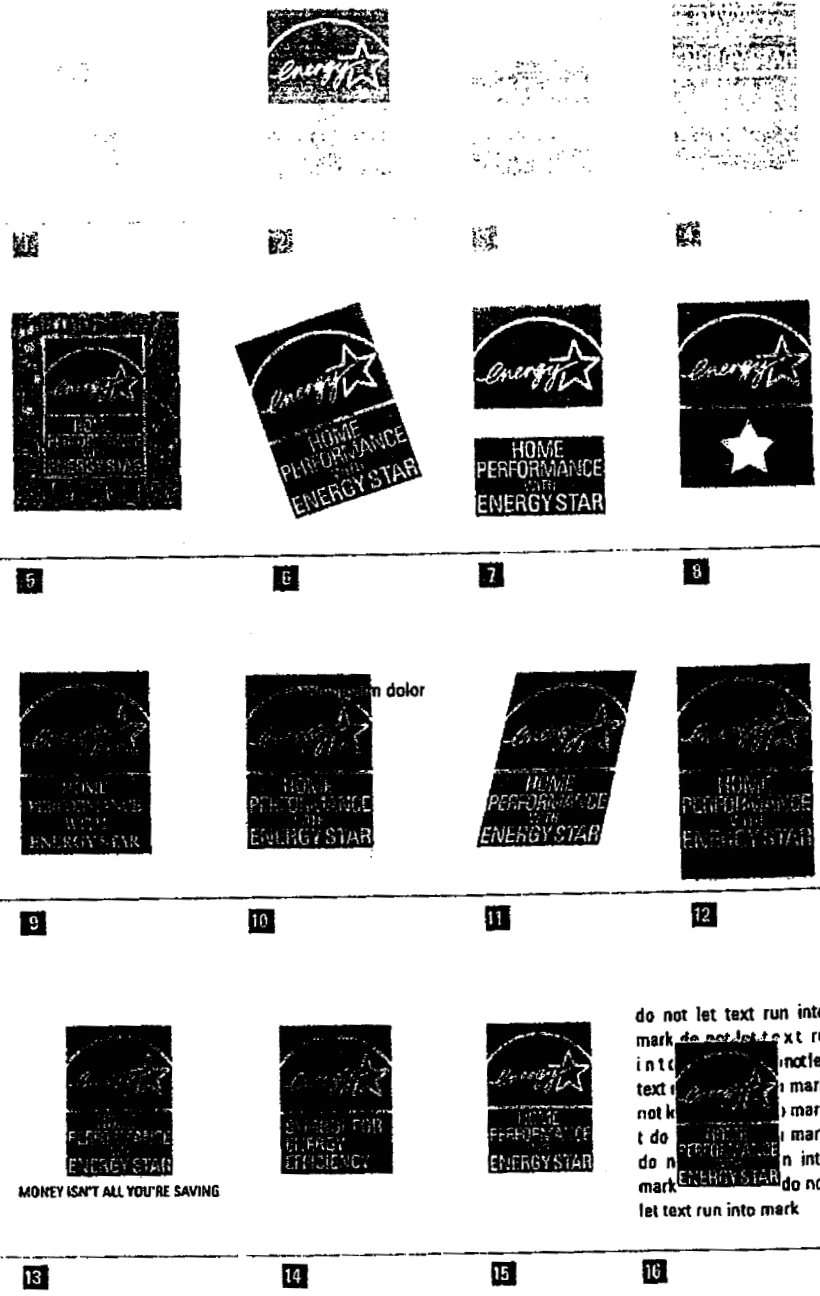
**6**

 <p>Working to deliver whole-house energy savings to help you save money and help protect the environment.</p> <p>The Home Performance mark appearing in black on any background color or photographic image.</p>	 <p>Working to deliver whole-house energy savings to help you save money and help protect the environment.</p> <p>The Home Performance mark appearing in black on any background color or photographic image.</p>	 <p>Working to deliver whole-house energy savings to improve comfort and help protect the environment.</p> <p>The Home Performance mark appearing in white (reversed out) of any background color or photo image.</p>	 <p>Working to deliver whole-house energy savings to improve comfort and help protect the environment.</p> <p>The Home Performance mark appearing in white (reversed out) of any background color or photo image.</p>
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- Do not use on any product, home, or building to signify qualification with ENERGY STAR.
  - Do not use to imply that any product or any organization has met ENERGY STAR performance criteria.
  - Do not use to denote ENERGY STAR partnership or endorsement.
  - Do not use to imply that the government is funding ENERGY STAR financing and mortgages.
  - Do not use to imply that the government is funding or endorsing improvements or home improvement work.
  - Do not use in advertisements featuring services that are not directly related to participation in a sponsored Home Performance with ENERGY STAR program.
  - Do not display with other ENERGY STAR marks.
- Please:
1. Do not make the mark an outline. Do not use a white mark on a white background. Do not use the cyan blue mark on a blue background.
  2. Do not change the colors of the mark.
  3. Do not distort the mark in any way.
  4. Do not alter the lock up of the mark.
  5. Do not place the mark on a busy image.
  6. Do not rotate the mark.
  7. Do not separate any of the mark's elements.
  8. Do not substitute any part of the mark.
  9. Do not use any other typeface to replace part of the mark.
  10. Do not violate the clear space of the mark.
  11. Do not skew the mark.
  12. Do not change the size of the mark lock up.
  13. Do not use the old tagline "Money Isn't All You're Saving."
  14. Do not replace the approved wording.
  15. Do not apply the ENERGY STAR marks in an unapproved color.
  16. Do not let text run into the mark.



HEARING EXHIBIT - 00000176

# WRITING AND TALKING ABOUT ENERGY STAR

To maintain and build the value of ENERGY STAR, EPA recommends terminology to use when writing and talking about elements of the program.

## CORRECT

## INCORRECT

### EARNING THE ENERGY STAR

ENERGY STAR qualified TV (or VCR, building, etc.)

TV (or VCR, home, building, etc.) that has earned the ENERGY STAR

Products/homes/buildings that have earned the ENERGY STAR

Facility/Building/School has been awarded the ENERGY STAR

ENERGY STAR compliant TV  
ENERGY STAR certified TV  
ENERGY STAR rated TV

ENERGY STAR Building(s) label  
ENERGY STAR product (e.g., TV)  
ENERGY STAR products (referring to the suite of Products)  
ENERGY STAR equipment  
Endorsed by EPA/DOE  
Meeting ENERGY STAR standards  
ENERGY STAR rated building  
ENERGY STAR Building(s) "standard"

# WRITING AND TALKING ABOUT ENERGY STAR

## CORRECT

## INCORRECT

### GOVERNMENT SOURCE OF AUTHORITY

Products/Homes/Buildings that earn the ENERGY STAR prevent greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy

ENERGY STAR and the ENERGY STAR mark are registered U.S. marks

ENERGY STAR is a registered mark owned by the U.S. government

### PERFORMANCE GUIDELINES

ENERGY STAR guidelines

ENERGY STAR specifications

ENERGY STAR performance levels

Voluntary programs

A building manager can "measure," "rate," or "benchmark" a facility's energy use by using the EPA's National Building Performance Rating System

ENERGY STAR Standards\*

EPA/DOE-approved

EPA/DOE-endorsed

Received an endorsement by EPA/DOE

Facility/Building/School has "won" the ENERGY STAR label

\* Note: When talking about Federal Energy Efficiency Standards, the use of "standards" is correct.

# WRITING AND TALKING ABOUT ENERGY STAR

# USING THE ENERGY STAR MARK OR NAME IN DOMAIN NAMES

## CORRECT

## INCORRECT

### PARTNERS

An ENERGY STAR partner

Company X, an ENERGY STAR Partner

A company participating in ENERGY STAR

A company promoting ENERGY STAR

ENERGY STAR Working with Key Sectors

ENERGY STAR: [+ a tailored marketing message], e.g., ENERGY STAR: make your commercial real estate business more profitable

ENERGY STAR for Small Business

ENERGY STAR for Schools

ENERGY STAR financing

ENERGY STAR loans

ENERGY STAR mortgages

ENERGY STAR qualified exit signs

An ENERGY STAR company

Company X, a company endorsed by EPA

An EPA/DOE approved seller of ENERGY STAR equipment

Endorsed by DOE/Endorsed by EPA

ENERGY STAR Commercial Real Estate Program

ENERGY STAR Small Business Program

ENERGY STAR Schools Program

ENERGY STAR Finance Program

ENERGY STAR Exit Sign Program

Organizations, including partners, may not use the ENERGY STAR<sup>®</sup> trademark as part of an Internet domain name, without authorization from EPA. Only the EPA and DOE are allowed to use. The ENERGY STAR name is a registered trademark owned by the EPA. Only the EPA and DOE are allowed to use, or authorize the use of, the ENERGY STAR name. Public entities and state sponsors are allowed to use ENERGY STAR only if the organization has signed an agreement to this effect with EPA or DOE. The ENERGY STAR name is not allowed to be used in any other company name, product name, service name, domain name or Web site title.

EPA considers unauthorized use of ENERGY STAR as part of a domain name, to be an infringement of our trademark rights under the Lanham Act 15 U.S.C. §§ 1051 - 1129 (1999), including the Anti-cybersquatting Protection Act ("ACPA"), 15 U.S.C. § 1125(d)(1)(A). In addition, EPA considers use of ENERGY STAR as part of a domain name to be a violation of the Uniform Dispute Resolution Policy ("UDRP") that is incorporated into each domain name's registration agreement. EPA is readily available to answer any questions you may have on this policy.



For more information, call  
EPA's toll-free number, 1-800-424-9333  
or visit our website at [www.epa.gov](http://www.epa.gov)

Recycling is a key part of  
EPA's mission to protect the environment.  
Learn more about recycling at  
[www.epa.gov/recycle](http://www.epa.gov/recycle)

U.S. GOVERNMENT PRINTING OFFICE: 2003

# ENERGY STAR® Partnership Agreement

## For Home Energy Raters

### RATER TYPES

If your organization is a Rating Provider, select your Provider type(s):

- Accredited HERS Provider  
 Accredited BOP Provider

OR

If your organization is a Rater/Inspector, select your Rater type(s):

- Certified HERS Rater  
 Certified BOP Inspector

### ORGANIZATION INFORMATION

Please provide your organization's physical address. If you have a different mailing address, enter it when adding contacts on page 2

Organization Name: Florida Public Utilities Company  
Address: 401 South Dixie Highway Primary Phone: (561) 833-0872  
FAX Number: (561) 366-1575  
City, State, Zip: West Palm Beach, FL 33409 Web Site URL: http://www.fpsc.com

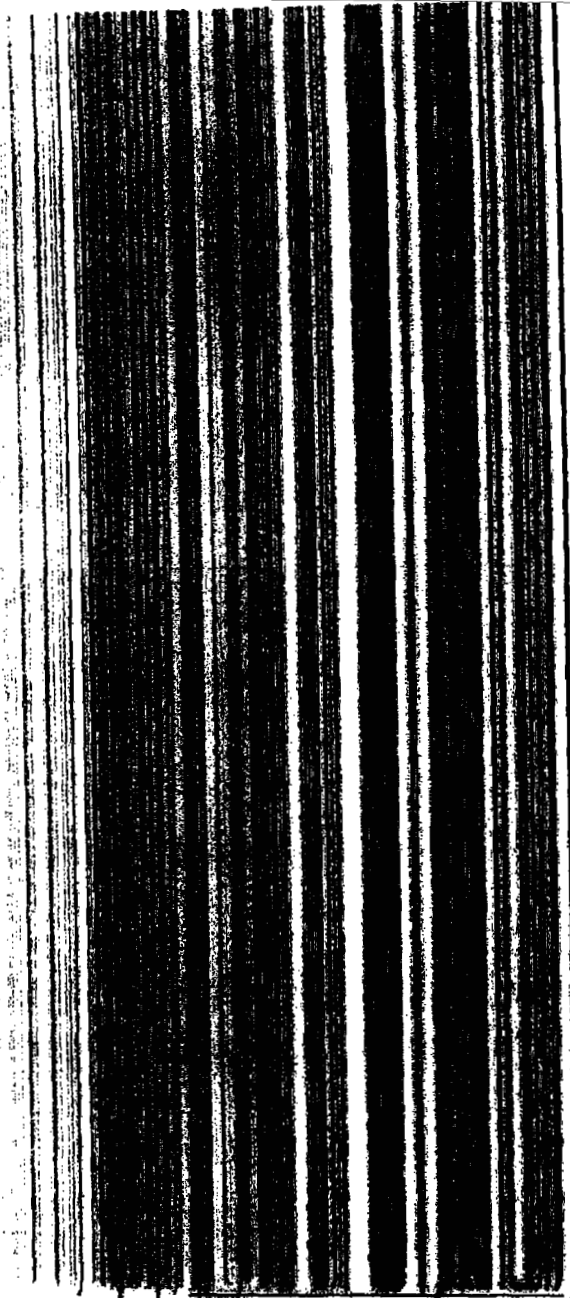
Display your organization on the ENERGY STAR Web site's New Homes Partner Locator?:  YES  NO  
If you selected YES, our Web site will display your organization using service area information you provide. A service area can be a metro area, region, and/or state. If no service area is listed below, we will default to the state where your organization resides and use your organization's phone.

Service Area Name: \_\_\_\_\_ States: \_\_\_\_\_ Phone: \_\_\_\_\_  
Service Area Name: \_\_\_\_\_ States: \_\_\_\_\_ Phone: \_\_\_\_\_  
Service Area Name: \_\_\_\_\_ States: \_\_\_\_\_ Phone: \_\_\_\_\_

### ACCREDITED RATING PROVIDER (for Raters and Inspectors only)

All Raters/Inspectors must be associated with an Accredited Provider. If you checked "Certified HERS Rater" and/or "Certified BOP Inspector" above, please provide as much information as possible for your Accredited Rating Provider.

Organization Name: Energy Garage USA  
Address: 1679 Clearlake Rd Primary Phone: 321-638-1492  
FAX Number: 407-638-1010  
City, State, Zip: Cocoa Beach, FL 32922 Web Site URL: http://www.faec.net.edu



Authorized Company Representative: This Partnership Agreement represents a binding agreement by the submitting organization. Signing below indicates that you have read and understand the terms of this Partnership Agreement and are authorized to bind this organization to the terms of this Partnership Agreement.

Printed Name: Walter S. Seago Signature: [Handwritten Signature] Date: 3/12/07

To be Completed by US EPA

Kathleen Hogan, Director, Climate Protection Partnerships Division, U.S. Environmental Protection Agency  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mail this form to: ENERGY STAR for Homes or Fax this form to: 202-343-2260  
US EPA (mail code 6202J)  
1200 Pennsylvania Ave., NW  
Washington DC, 20460

For more information, please call the ENERGY STAR Hotline at 1-888-STAR-YES or visit: [www.energystar.gov/homes](http://www.energystar.gov/homes)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (\*) and/or U. S. Mail this 7<sup>th</sup> day of October, 2008 upon the following:

Katherine Fleming, Esq.\*  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Matthew R. Costa, Esq.  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Beth Keating, Esq.  
Akerman Senterfitt  
106 E. College Avenue, Suite 1200  
Tallahassee, FL 32301

Elizabeth Wade, Esq.  
Mr. Melvin Williams  
AGL Resources, Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Mr. Charles Rawson  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

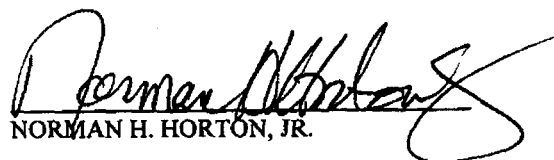
Charles A. Costin, P.A.  
Costin and Costin  
Post Office Box 98  
Port St. Joe, FL 32457-0098

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33610-1531

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27, South  
Sebring, FL 33870-5452

Mr. Brian Powers  
President  
Indiantown Gas Company, Inc.  
Post Office Box 8  
Indiantown, FL 34956-0008

Robert Scheffel Wright, Esq.  
Young van Assenderp  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

  
NORMAN H. HORTON, JR.

Docket No. 080004-GU

Exhibit \_\_\_\_\_ (MD-1)

CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY TRUE-UP  
January 1, 2007 through December 31, 2007

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 3

COMPANY FL Div. of Chesapeake Utilities Corp. (Direct)

WITNESS Matthew Dewey (MD-1)

DATE 11-04-08



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SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation  
Docket No. 080004-GU  
Exhibit MD-1  
Page 1 of 17

ADJUSTED NET TRUE-UP  
FOR MONTH JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	(373,043)	
INTEREST	<u>(13,036)</u>	(386,079)

LESS PROJECTED TRUE-UP

PRINCIPLE	(325,713)	
INTEREST	<u>(13,622)</u>	<u>(339,335)</u>

ADJUSTED NET TRUE-UP		<u>(46,744)</u>
----------------------	--	-----------------

( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	348,184	372,588	(24,404)
MATERIALS & SUPPLIES	60,831	14,890	45,941
ADVERTISING	119,954	133,732	(13,778)
INCENTIVES	344,585	383,868	(39,283)
OUTSIDE SERVICES	4,244	5,211	(968)
VEHICLES	28,360	29,314	(954)
OTHER	<u>0</u>	<u>6,696</u>	<u>(6,696)</u>
SUB-TOTAL	906,159	946,299	(40,140)
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	906,159	946,299	(40,140)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(1,279,202)	(1,272,013)	(7,189)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(373,043)	(325,713)	(47,330)
INTEREST PROVISION	<u>(13,036)</u>	<u>(13,622)</u>	<u>586</u>
END OF PERIOD TRUE-UP	<u>(386,079)</u>	<u>(339,335)</u>	<u>(46,744)</u>

( ) REFLECTS OVER-RECOVERY

\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	200,305	28,278	75,893	283,300	595	16,878	0	605,249
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	38,457	9,204	18,465	18,685	595	1,522	0	86,927
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	309	717	0	0	175	17	0	1,218
PROGRAM 4: RESIDENTIAL APPLIANCE RETENTION	0	64,511	15,642	16,423	42,600	595	6,431	0	146,202
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	0	0	0	0	0	0	0	0
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	44,603	6,990	9,173	0	2,284	3,512	0	66,562
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>348,184</b>	<b>60,831</b>	<b>119,954</b>	<b>344,585</b>	<b>4,244</b>	<b>28,360</b>	<b>0</b>	<b>906,159</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	(378)	23,442	(4,644)	(63,188)	(297)	(380)	(4,797)	(50,242)
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	(8,306)	6,543	(4,387)	2,530	(297)	(226)	(182)	(4,326)
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	179	(315)	0	0	(88)	13	0	(211)
PROGRAM 4: RESIDENTIAL APPLIANCE RETENTION	0	(12,925)	13,114	(315)	21,375	(298)	(282)	(1,567)	19,102
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	0	0	0	0	0	0	0	0
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	(2,973)	3,157	(4,432)	0	13	(79)	(150)	(4,464)
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>(24,404)</b>	<b>45,941</b>	<b>(13,778)</b>	<b>(39,283)</b>	<b>(968)</b>	<b>(954)</b>	<b>(6,696)</b>	<b>(40,140)</b>

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
 FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	38,475	45,729	48,632	45,932	82,859	88,936	34,037	29,986	61,328	21,047	71,702	38,586	605,249
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	7,318	5,353	5,648	7,490	7,778	4,165	9,914	7,210	9,547	3,985	11,757	6,762	86,927
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	175	152	(18)	680	8	0	0	0	0	0	0	221	1,218
PROGRAM 4: RESIDENTIAL APPLIANCE RETENTION	10,466	6,559	9,518	8,739	14,836	8,266	12,500	10,901	18,007	14,984	14,242	17,183	146,202
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	5,341	5,247	7,963	8,603	6,626	4,139	5,466	4,730	4,557	4,743	4,415	4,734	66,562
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>61,775</b>	<b>63,039</b>	<b>71,743</b>	<b>71,444</b>	<b>112,107</b>	<b>103,506</b>	<b>61,917</b>	<b>52,827</b>	<b>93,440</b>	<b>44,759</b>	<b>102,117</b>	<b>67,486</b>	<b>906,159</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>61,775</b>	<b>63,039</b>	<b>71,743</b>	<b>71,444</b>	<b>112,107</b>	<b>103,506</b>	<b>61,917</b>	<b>52,827</b>	<b>93,440</b>	<b>44,759</b>	<b>102,117</b>	<b>67,486</b>	<b>906,159</b>

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(128,077)	(140,564)	(131,563)	(132,100)	(109,259)	(92,424)	(79,215)	(84,057)	(77,865)	(86,020)	(100,503)	(107,802)	(1,269,448)
4. TOTAL REVENUES	(128,077)	(140,564)	(131,563)	(132,100)	(109,259)	(92,424)	(79,215)	(84,057)	(77,865)	(86,020)	(100,503)	(107,802)	(1,269,448)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(9,754)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(128,890)	(141,377)	(132,375)	(132,913)	(110,072)	(93,237)	(80,028)	(84,870)	(78,678)	(86,832)	(101,316)	(108,615)	(1,279,202)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	81,775	83,039	71,743	71,444	112,107	103,506	61,917	52,827	93,440	44,759	102,117	67,486	906,159
8. TRUE-UP THIS PERIOD	(67,115)	(78,338)	(60,633)	(61,469)	2,035	10,269	(18,111)	(32,043)	14,762	(42,074)	801	(41,129)	(373,043)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(188)	(504)	(807)	(1,075)	(1,206)	(1,183)	(1,200)	(1,354)	(1,371)	(1,313)	(1,356)	(1,478)	(13,036)
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(9,754)	(76,244)	(154,273)	(214,900)	(276,631)	(274,969)	(265,091)	(283,589)	(316,173)	(301,969)	(344,543)	(344,285)	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	813	813	813	813	813	813	813	813	813	813	813	813	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(76,244)	(154,273)	(214,900)	(276,631)	(274,969)	(265,091)	(283,589)	(316,173)	(301,969)	(344,543)	(344,285)	(386,079)	(386,079)



CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	(9,754)	(76,244)	(154,273)	(214,900)	(276,831)	(274,989)	(265,091)	(283,589)	(316,173)	(301,989)	(344,543)	(344,285)	
2. ENDING TRUE-UP BEFORE INTEREST	(76,056)	(153,769)	(214,093)	(275,556)	(273,783)	(283,907)	(282,389)	(314,819)	(300,598)	(343,230)	(342,929)	(384,602)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(85,810)	(230,013)	(368,365)	(490,456)	(550,414)	(538,897)	(547,480)	(598,408)	(616,770)	(645,198)	(687,472)	(728,887)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(42,905)	(115,006)	(184,183)	(245,228)	(275,207)	(269,448)	(273,740)	(299,204)	(308,385)	(322,599)	(343,736)	(364,444)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	4.98%	
7. TOTAL (SUM LINES 5 & 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.86%	10.67%	9.77%	9.47%	9.73%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.43%	5.34%	4.89%	4.74%	4.87%	
9. MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.45%	0.44%	0.41%	0.39%	0.41%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(188)	(504)	(807)	(1,075)	(1,206)	(1,183)	(1,200)	(1,354)	(1,371)	(1,313)	(1,358)	(1,478)	(13,036)



Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences between Filing and PSC Audit  
Report for January 2007 through December 2007.

**NO DIFFERENCES AS OF THE DATE OF THIS FILING**

Schedule CT-6  
Page 1 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential New Construction Program

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:  
Conservation allowances for 2007 are:  
\$350 Gas Storage Tank Water Heating  
\$450 Gas Tankless Water Heating  
\$350 Gas Heating  
\$100 Gas Cooking  
\$100 Gas Clothes Drying

Program Projections:  
For the twelve-month period January 2007 through December 2007, The Company estimated that 752 homes would be connected to the system. During this period, allowances were actually paid for building 616 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:  
During the twelve-month period, expenditures for this program totaled \$605,249.

Program Progress Summary:  
Since the program's inception, 9,983 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.

Schedule CT-6  
Page 2 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

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. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowances:

Conservation allowances for 2007 are:

- \$525 Gas Storage Tank Water Heating
- \$525 Gas Tankless Water Heating
- \$625 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Projections:

For the twelve-month period January 2007 through December 2007, we estimated that 50 residences would qualify for incentives during this period. In actuality, 43 residences qualified for incentives.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$86,927.

Program Summary:

Since inception, 356 residences have qualified for this program.

Schedule CT-6  
Page 3 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:

Conservation allowances are currently:

- \$275 Gas Water Heater (Tank or Tankless)
- \$275 Gas Heat
- \$ 75 Gas Cooking
- \$ 75 Gas Clothes Drying

Program Fiscal Expenditures:

Program cost totaled \$1,218 for this twelve-month period, incurred by staff in response to builder/developer inquiries.

Program Summary:

Five propane distribution sub-divisions have been added under this program since its inception.

Schedule CT-6  
Page 4 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Appliance Retention Program

Program Description:

The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:

Conservation allowances are currently:

- \$350 Gas Storage Tank Water Heating
- \$450 Gas Tankless Water Heating
- \$350 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Activity and Projections:

For the twelve-month period January 2007 through December 2007, we estimated that 105 natural gas appliances would qualify for this program. In actuality, 75 rebates were paid for natural gas appliance installations.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$146,202.

Program Summary:

Since inception, 850 natural gas appliances have been retained through this program. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.

Schedule CT-6  
Page 5 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Projections:

The projected expenses for this period were \$0.

Program Fiscal Expenditures:

Program costs for this twelve-month period totaled \$0.

Program Summary:

Five residential gas space conditioning units have been installed since the inception of this program.



CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Projections:

The expenses projected for this period were \$0.

Program Fiscal Expenditures:

Program costs for this twelve-month period totaled \$0.

Program Summary:

Eight natural gas space conditioning units have been installed since the inception of this program.

Schedule CT-6  
Page 7 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's overall energy cost.

Program Activity and Projections:  
We continue to develop branded programs as well as expand community outreach programs designed to inform and educate the general public as well as business interest in the communities about the availability of our conservation programs, and the benefits and value of natural gas. Examples of these types of programs;

**Energy Plus Home Program** is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings, associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Appliance Retention Program, and the Natural Gas Space Conditioning for Residential Homes Program.*

**Energy Plus Home Builder Program** promotes the *Residential New Construction Program* which purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

**Energy Plus Partners Program** is the new name of the Preferred Partners program that was launched in late 2001. The program works to remove market

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

barriers, expand consumer choice, and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowances programs. Examples of business entities that support the gas system and are potential partners for the gas company: builders, developers, retailers, HVAC providers, plumbers, and architects, to name but a few. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Appliance Retention Program, Natural Gas Space Conditioning for Residential Homes Program, Residential New Construction Program, and the Residential Propane Distribution Program*

**Energy Smart Kids Program** educates and engages young minds in an in-school setting. The classroom-based program provides posters, classroom activities, gas education booklets, pencils and teaching plan. A “school board” approved curriculum offers teachers a balanced five day lesson plan ending with an in-classroom demonstration featuring “Effie” the power station – a small working power generating engine that converts gas into electric. Energy conservation is the main theme of the program.

Program Fiscal Expenditures:

Program costs totaled \$66,562 for this twelve-month period.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony and Exhibit of Matthew Dewey in Docket No. 080004-GU, on behalf of the Florida Division of Chesapeake Utilities Corporation, has been furnished by U.S. Mail to the following parties of record this 1<sup>st</sup> day of May, 2008:

Florida Public Utilities Company Mehrddad Khojasteh P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen/S.Burgess c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 955 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida City Gas Jay Sutton 4180 South US Hwy. 1 Rockledge, FL32955-5309	Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159
Florida Division of Chesapeake Utilities Corporation	Indiantown Gas Company Brian J. Powers

Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	P.O. Box 8 Indiantown, FL 34956-0008
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	Robert Scheffel Wright 225 South Adams Street, Suit 200 Tallahassee, FL 32301



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Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue  
Highpoint Center, 12<sup>th</sup> Floor  
Tallahassee, FL 32301  
(850)224-9634

Docket No. 080004-GU

Exhibit \_\_\_\_\_ (TG-2)

THE FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
NATURAL GAS CONSERVATION COST RECOVERY PROJECTION  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 4

COMPANY FL Div. of Chesapeake Utilities Corp. (Direct)

WITNESS Thomas A. Geoffroy (TG-2)

DATE 11-04-08

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2009 THROUGH DECEMBER 2009  
PER THERM BASIS

1. INCREMENTAL COSTS (SCHEDULE C-2)	\$1,187,055
2. TRUE-UP (SCHEDULE C-3)	<u>(\$538,645)</u>
3. TOTAL	<u>\$648,410</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	37,836	288,100	\$378,360	\$126,974	\$505,334	\$33,925	6.7133%	\$0.1178	1.00503	\$0.11835
FTS-B	27,192	365,541	\$339,900	\$161,105	\$501,005	\$33,634	6.7133%	\$0.0920	1.00503	\$0.09247
FTS-1	86,212	1,616,274	\$1,293,180	\$712,340	\$2,005,520	\$134,637	6.7133%	\$0.0833	1.00503	\$0.08372
FTS-2	19,930	1,614,605	\$548,075	\$473,983	\$1,022,058	\$68,614	6.7133%	\$0.0425	1.00503	\$0.04271
FTS-3	4,879	2,360,295	\$439,110	\$466,890	\$906,000	\$60,823	6.7133%	\$0.0258	1.00503	\$0.02590
FTS-4	2,206	2,731,985	\$363,990	\$489,217	\$853,207	\$57,278	6.7133%	\$0.0210	1.00503	\$0.02107
FTS-5	410	1,118,276	\$112,750	\$185,936	\$298,686	\$20,052	6.7133%	\$0.0179	1.00503	\$0.01802
FTS-6	180	888,375	\$81,000	\$130,271	\$211,271	\$14,183	6.7133%	\$0.0160	1.00503	\$0.01605
FTS-7	288	4,272,600	\$136,800	\$474,002	\$610,802	\$41,005	6.7133%	\$0.0096	1.00503	\$0.00965
FTS-8	144	3,004,068	\$108,000	\$307,376	\$415,376	\$27,886	6.7133%	\$0.0093	1.00503	\$0.00933
FTS-9	120	5,386,450	\$108,000	\$482,464	\$590,464	\$39,640	6.7133%	\$0.0074	1.00503	\$0.00740
FTS-10	48	2,722,788	\$72,000	\$226,373	\$298,373	\$20,031	6.7133%	\$0.0074	1.00503	\$0.00739
FTS-11	72	9,619,140	\$216,000	\$660,643	\$876,643	\$58,852	6.7133%	\$0.0061	1.00503	\$0.00615
FTS-12	24	7,451,956	\$96,000	\$467,834	\$563,834	\$37,852	6.7133%	\$0.0051	1.00503	\$0.00511
<b>TOTAL</b>	<b>179,541</b>	<b>43,440,453</b>	<b>\$4,293,165</b>	<b>\$5,365,408</b>	<b>\$9,658,573</b>	<b>\$648,410</b>	<b>6.7133%</b>			

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2009 THROUGH DECEMBER 2009  
PER BILL BASIS - Experimental

1. INCREMENTAL COSTS (SCHEDULE C-2)	\$1,187,055
2. TRUE-UP (SCHEDULE C-3)	<u>(\$538,645)</u>
3. TOTAL	<u>\$648,410</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	37,836	288,100	\$378,360	\$126,974	\$505,334	\$33,925	6.7133%	\$0.8966	1.00503	\$0.90
FTS-B	27,192	365,541	\$339,900	\$161,105	\$501,005	\$33,634	6.7133%	\$1.2369	1.00503	\$1.24
FTS-1	86,212	1,616,274	\$1,293,180	\$712,340	\$2,005,520	\$134,637	6.7133%	\$1.5617	1.00503	\$1.57
FTS-2	19,930	1,614,605	\$548,075	\$473,983	\$1,022,058	\$68,614	6.7133%	\$3.4427	1.00503	\$3.46
FTS-3	4,879	2,360,295	\$439,110	\$466,890	\$906,000	\$60,823	6.7133%	\$12.4662	1.00503	\$12.53
FTS-4	2,206	2,731,985	\$363,990	\$489,217	\$853,207	\$57,278				
FTS-5	410	1,118,276	\$112,750	\$185,936	\$298,686	\$20,052				
FTS-6	180	888,375	\$81,000	\$130,271	\$211,271	\$14,183				
FTS-7	288	4,272,600	\$136,800	\$474,002	\$610,802	\$41,005				
FTS-8	144	3,004,068	\$108,000	\$307,376	\$415,376	\$27,886				
FTS-9	120	5,386,450	\$108,000	\$482,464	\$590,464	\$39,640				
FTS-10	48	2,722,788	\$72,000	\$226,373	\$298,373	\$20,031				
FTS-11	72	9,619,140	\$216,000	\$660,643	\$876,643	\$58,852				
FTS-12	24	7,451,956	\$96,000	\$467,834	\$563,834	\$37,852				
<b>TOTAL</b>	<b>179,541</b>	<b>43,440,453</b>	<b>\$4,293,165</b>	<b>\$5,365,408</b>	<b>\$9,658,573</b>	<b>\$648,410</b>	<b>6.7133%</b>			





PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM	\$0	\$194,677	\$43,686	\$75,521	\$340,000	\$71,466	\$21,456	\$0	\$746,805
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM	\$0	\$74,142	\$8,079	\$8,885	\$40,000	\$8,685	\$3,534	\$0	\$143,325
3. RESIDENTIAL PROPANE DISTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM	\$0	\$74,142	\$8,079	\$20,990	\$94,500	\$20,025	\$3,534	\$0	\$221,270
5. NG SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. EDUCATION	\$0	\$61,940	\$9,010	\$0	\$0	\$0	\$4,704	\$0	\$75,654
8.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ALL PROGRAMS</b>	<b>\$0</b>	<b>\$404,901</b>	<b>\$68,854</b>	<b>\$105,396</b>	<b>\$474,500</b>	<b>\$100,176</b>	<b>\$33,228</b>	<b>\$0</b>	<b>\$1,187,055</b>
<b>LESS: AMOUNT IN RATE BASE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RECOVERABLE CONSER.</b>	<b>\$0</b>	<b>\$404,901</b>	<b>\$68,854</b>	<b>\$105,396</b>	<b>\$474,500</b>	<b>\$100,176</b>	<b>\$33,228</b>	<b>\$0</b>	<b>\$1,187,055</b>



CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM									
A. ACTUAL	\$0	\$96,104	\$18,887	\$7,830	\$83,200	\$33,883	\$9,857	\$0	\$229,761
B. ESTIMATED	\$0	\$68,645	\$13,491	\$65,593	\$270,150	\$34,202	\$7,041	\$0	\$459,122
C. TOTAL	\$0	\$164,749	\$32,378	\$73,423	\$333,350	\$68,085	\$16,897	\$0	\$688,883
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM									
A. ACTUAL	\$0	\$20,219	\$3,348	\$5,038	\$29,550	\$8,589	\$825	\$0	\$67,569
B. ESTIMATED	\$0	\$14,442	\$2,391	\$3,599	\$10,000	\$6,135	\$589	\$0	\$37,157
C. TOTAL	\$0	\$34,660	\$5,739	\$8,637	\$39,550	\$14,724	\$1,415	\$0	\$104,726
3. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM									
A. ACTUAL	\$0	\$31,559	\$6,936	\$4,617	\$18,050	\$8,408	\$3,099	\$0	\$72,669
B. ESTIMATED	\$0	\$22,542	\$4,954	\$15,000	\$50,000	\$6,008	\$2,213	\$0	\$100,716
C. TOTAL	\$0	\$54,102	\$11,891	\$19,617	\$68,050	\$14,414	\$5,312	\$0	\$173,385
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. CONSERVATION EDUCATION PROGRAM									
A. ACTUAL	\$0	\$19,914	\$7,599	\$1,261	\$0	\$2,699	\$1,308	\$0	\$32,781
B. ESTIMATED	\$0	\$14,225	\$5,428	\$901	\$0	\$1,928	\$934	\$0	\$23,415
C. TOTAL	\$0	\$34,139	\$13,027	\$2,162	\$0	\$4,628	\$2,242	\$0	\$56,196
<b>TOTAL COSTS</b>	<b>\$0</b>	<b>\$287,650</b>	<b>\$63,035</b>	<b>\$103,839</b>	<b>\$440,950</b>	<b>\$101,849</b>	<b>\$25,866</b>	<b>\$0</b>	<b>\$1,023,190</b>



CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
FOR PERIOD: JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1. RES. NEW CONSTRUCTION	\$22,434	\$50,017	\$20,589	\$38,888	\$18,313	\$47,489	\$34,050	\$91,824	\$91,824	\$91,824	\$91,824	\$91,824	\$688,883
2. RES. APPLIANCE REPLACEMENT	\$5,851	\$9,248	\$6,402	\$11,674	\$18,545	\$4,012	\$11,837	\$7,431	\$7,431	\$7,431	\$7,431	\$7,432	\$104,726
3. RES PROPANE DISTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RES. APPLIANCE RETENTION	\$11,586	\$13,880	\$14,927	\$14,388	\$11,447	\$2,810	\$3,631	\$20,143	\$20,143	\$20,143	\$20,143	\$20,143	\$173,385
5. NG SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. EDUCATION	\$5,284	\$4,157	\$6,151	\$2,579	\$6,833	\$5,731	\$2,048	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$56,196
8.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ALL PROGRAMS</b>	<b>\$45,155</b>	<b>\$77,303</b>	<b>\$48,088</b>	<b>\$67,509</b>	<b>\$53,139</b>	<b>\$60,042</b>	<b>\$51,565</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,083</b>	<b>\$1,023,190</b>
<b>LESS:</b>													
BASE RATE RECOVERY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET RECOVERABLE</b>	<b>\$45,155</b>	<b>\$77,303</b>	<b>\$48,088</b>	<b>\$67,509</b>	<b>\$53,139</b>	<b>\$60,042</b>	<b>\$51,565</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,082</b>	<b>\$124,083</b>	<b>\$1,023,190</b>

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR PERIOD: JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

CONSERVATION REVS	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1. RCS AUDIT FEE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. OTHER PROG. REVS.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. CONSERV. ADJ REVS.	(\$142,459)	(\$129,136)	(\$60,223)	(\$110,255)	(\$95,132)	(\$74,899)	(\$67,637)	(\$70,000)	(\$85,000)	(\$97,000)	(\$104,000)	(\$124,000)	(\$1,159,742)
4. TOTAL REVENUES	(\$142,459)	(\$129,136)	(\$60,223)	(\$110,255)	(\$95,132)	(\$74,899)	(\$67,637)	(\$70,000)	(\$85,000)	(\$97,000)	(\$104,000)	(\$124,000)	(\$1,159,742)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$32,173)	(\$366,079)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(\$174,632)	(\$161,309)	(\$92,396)	(\$142,429)	(\$127,305)	(\$107,073)	(\$99,810)	(\$102,173)	(\$117,173)	(\$129,173)	(\$136,173)	(\$156,173)	(\$1,545,820)
7. CONSERV. EXPS.	\$45,155	\$77,303	\$48,068	\$67,509	\$53,139	\$60,042	\$51,565	\$124,082	\$124,082	\$124,082	\$124,082	\$124,083	\$1,023,190
8. TRUE-UP THIS PERIOD	(\$129,478)	(\$84,006)	(\$44,328)	(\$74,919)	(\$74,167)	(\$47,031)	(\$48,246)	\$21,909	\$6,909	(\$5,091)	(\$12,091)	(\$32,090)	(\$522,631)
9. INTER. PROVISION THIS PERIOD	(\$1,460)	(\$1,313)	(\$1,297)	(\$1,306)	(\$1,354)	(\$1,314)	(\$1,351)	(\$1,315)	(\$1,225)	(\$1,160)	(\$1,114)	(\$1,805)	(\$16,014)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(\$366,079)	(\$484,844)	(\$537,989)	(\$551,441)	(\$595,493)	(\$638,840)	(\$655,011)	(\$672,435)	(\$619,668)	(\$581,811)	(\$555,890)	(\$536,922)	(\$366,079)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$32,173	\$366,079
12. TOTAL NET TRUE-UP	(\$484,844)	(\$537,989)	(\$551,441)	(\$595,493)	(\$638,840)	(\$655,011)	(\$672,435)	(\$619,668)	(\$581,811)	(\$555,890)	(\$536,922)	(\$538,645)	(\$538,645)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD: JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1. BEGINNING TRUE-UP	(\$386,079)	(\$484,844)	(\$537,989)	(\$551,441)	(\$595,493)	(\$638,840)	(\$655,011)	(\$672,435)	(\$619,668)	(\$581,811)	(\$555,890)	(\$536,922)	
2. ENDING TRUE-UP BEFORE INTEREST	(\$483,384)	(\$536,676)	(\$550,144)	(\$594,187)	(\$637,486)	(\$653,697)	(\$671,084)	(\$618,353)	(\$580,586)	(\$554,729)	(\$535,808)	(\$536,840)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(\$869,463)	(\$1,021,520)	(\$1,088,134)	(\$1,145,628)	(\$1,232,979)	(\$1,292,537)	(\$1,326,095)	(\$1,290,787)	(\$1,200,254)	(\$1,136,541)	(\$1,091,698)	(\$1,073,762)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(\$434,731)	(\$510,760)	(\$544,067)	(\$572,814)	(\$616,489)	(\$646,268)	(\$663,047)	(\$645,394)	(\$600,127)	(\$568,270)	(\$545,849)	(\$536,881)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7. TOTAL (SUM LINES 5 & 6)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9. MONTHLY AVG INTEREST RATE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10. INTEREST PROVISION	(\$1,460)	(\$1,313)	(\$1,297)	(\$1,306)	(\$1,354)	(\$1,314)	(\$1,351)	(\$1,315)	(\$1,225)	(\$1,160)	(\$1,114)	(\$1,805)	(\$16,014)



Schedule C-4  
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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential New Construction Program

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:  
Conservation allowances are currently:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Activity and Projections:  
During the seven-month period January through July 2008, 90 residences qualified under the Residential New Construction Program. We estimate 300 new homes will qualify during the period August through December 2008.

Program Fiscal Expenditures:  
For the seven-month period January through July 2008, CUC incurred costs of \$229,761 for the Residential New Construction Program. For August through December 2008, program costs are estimated to be \$459,122.

Schedule C-4  
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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

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. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowance:

Conservation allowances are currently:

\$525	Gas Storage Tank Water Heating
\$525	Gas Tankless Water Heating
\$625	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:

During the seven-month period January through July 2008, 21 residences qualified under the Residential Appliance Replacement Program. We estimate an additional 10 residences will qualify for incentives during the period August through December 2008.

Program Fiscal Expenditures:

For the seven-month period January through July 2008, CUC incurred costs of \$67,569 for the Residential Appliance Replacement Program. For August through December 2008, program costs are estimated to be \$37,157.

Schedule C-4  
Page 3 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Propane Distribution Program

Program Description:  
The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:  
Conservation allowances are currently:

\$275	Energy efficient natural gas water heater installation.
\$275	Natural Gas home heating.
\$75	Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:  
During this year we intend to distribute promotional materials aimed at the builder market in order to educate and inform as to the values of a propane distribution system.

Program Fiscal Expenditures:  
For the seven-month period January through July 2008, CUC incurred costs of \$0 for the Residential Propane Distribution Program. For August through December 2008, program costs are estimated to be \$0.

Schedule C-4  
Page 4 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Appliance Retention Program

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:  
Conservation allowances are currently:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
For the seven-month period January through July 2008, CUC paid allowances on 72 appliances. We estimate we will pay allowances on 200 additional appliances during the period of August through December 2008.

Program Fiscal Expenditures:  
For the seven-month period January through July 2008, CUC incurred costs of \$72,669 for the Residential Appliance Retention Program. For August through December 2008, program costs are estimated to be \$100,716.

Schedule C-4  
Page 5 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Activity and Projections:

For the seven-month period January through July 2008, CUC didn't pay any allowances on this program. No activity is projected in this program for the remainder of 2008.

Program Fiscal Expenditures:

For the seven-month period January through July 2008, CUC incurred costs of \$0 for the Natural Gas Space Conditioning for Residential Homes Program. For August through December 2008, program costs are estimated to be \$0.

Schedule C-4  
Page 6 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Activity and Projections:

For the seven-month period January through July 2008, CUC didn't pay any allowances on this program.

Program Fiscal Expenditures:

For the seven-month period January through July 2008, CUC incurred costs of \$0 for the Gas Space Conditioning Program. For August through December 2008, program costs are estimated to be \$0.

Schedule C-4  
Page 7 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's overall energy cost.

Program Activity and Projections:  
We have created community outreach programs designed to inform and educate the general public as well as business interest in the communities we serve as to the value of natural gas and the availability of our conservation allowance programs. Examples of these types of programs: energy plus home builders program, energy plus partners program, appliance retention programs, and energy smart kids.

Program Fiscal Expenditures:  
During the seven-month period January through July 2008, CUC incurred costs of \$32,781 for the Conservation Education Program. For August through December 2008, program costs are estimated to be \$23,415.

ADJUSTED NET TRUE UP  
JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	(83,545)	
INTEREST	(36,337)	(119,882)

LESS PROJECTED TRUE-UP

PRINCIPLE	(662,938)	
INTEREST	(42,005)	(704,943)

ADJUSTED NET TRUE-UP

585,061

( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 08000464 EXHIBIT 5

COMPANY Florida City Gas (CB-1)

WITNESS Carolyn Bermudez (CB-1)

DATE 11-04-08



ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	554,617	580,011	(25,394)
MATERIALS & SUPPLIES	-	-	-
ADVERTISING	770,309	511,176	259,133
INCENTIVES	925,654	1,062,936	(137,282)
OUTSIDE SERVICES	40,875	97,870	(56,995)
VEHICLES	42,776	24,612	18,164
OTHER	<u>11,745</u>	<u>-</u>	<u>11,745</u>
SUB-TOTAL	2,345,976	2,276,605	69,371
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	2,345,976	2,276,605	69,371
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(2,429,521)	(2,939,543)	510,022
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	(83,545)	(662,938)	579,393
INTEREST PROVISION	(36,337)	(42,005)	5,668
END OF PERIOD TRUE-UP	<u>(119,882)</u>	<u>(704,943)</u>	<u>585,061</u>

( ) REFLECTS OVER-RECOVERY

\*\*\* Seven months actual and four months projected (Jan-Dec'2007)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS		OUTSIDE			VEHICLE	OTHER	TOTAL
	INVESTMENT	BENEFITS	& SUPPLIES	ADVERTISING	INCENTIVES	SERVICES			
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	118,817	-	-	299,687	-	5,664	-	424,168
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	-	-	-	139,500	-	-	-	139,500
PROGRAM 3: ELECTRIC REPLACEMENT	-	119,543	-	770,309	83,233	-	5,637	-	978,722
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	2,688	-	-	-	2,688
PROGRAM 7: WATER HEATER RETENTION	-	-	-	-	311,673	-	-	-	311,673
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	-	-	-	400	-	-	-	400
PROGRAM 9: COMM/IND CONVERSION	-	254,017	-	-	88,473	-	27,535	-	370,025
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	20,141	-	-	-	-	2,471	-	22,612
COMMON COSTS	-	42,099	-	-	-	40,875	1,469	11,745	96,188
TOTAL TOTAL OF ALL PROGRAMS	-	554,617	-	770,309	925,654	40,875	42,776	11,745	2,345,976

CITY GAS COMPANY OF FLORIDA  
PROJECTED CONSERVATION COSTS PER PROGRAM  
JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL	PAYROLL &	MATERIALS	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL	
	INVESTMENT	BENEFITS	& SUPPLIES			SERVICES				
PROGRAM 1: SINGLE FAMILY HOME BUILDE	-	122,839	-	-	527,669	-	3,186	-	653,694	
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	424	-	-	194,402	-	-	-	194,826	
PROGRAM 3: ELECTRIC REPLACEMENT	-	137,720	-	511,176	90,344	25,375	3,171	-	767,786	
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	1,216	-	-	-	1,216	
PROGRAM 7: WATER HEATER RETENTION	-	348	-	-	173,190	-	-	-	173,538	
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	15,606	-	-	200	-	-	-	15,806	
PROGRAM 9: COMM/IND CONVERSION	-	242,049	-	-	75,915	-	16,057	-	334,021	
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	21,388	-	-	-	-	1,360	-	22,748	
COMMON COSTS	-	39,637	-	-	-	72,495	838	-	112,970	
TOTAL	TOTAL OF ALL PROGRAMS	-	580,011	-	511,176	1,062,936	97,870	24,612	-	2,276,605

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE					TOTAL	
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES	VEHICLE	OTHER		
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	(4,022)	-	-	(227,982)	-	2,478	-	(229,526)
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(424)	-	-	(54,902)	-	-	-	(55,326)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(18,177)	-	259,133	(7,111)	(25,375)	2,466	-	210,936
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	1,472	-	-	-	1,472
PROGRAM 7: WATER HEATER RETENTION	-	(348)	-	-	138,483	-	-	-	138,135
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	(15,606)	-	-	200	-	-	-	(15,406)
PROGRAM 9: COMM/IND CONVERSION	-	11,968	-	-	12,558	-	11,478	-	36,004
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(1,247)	-	-	-	-	1,111	-	(136)
COMMON COSTS	-	2,462	-	-	-	(31,620)	631	11,745	(16,782)
TOTAL TOTAL OF ALL PROGRAMS	-	(25,394)	-	259,133	(137,282)	(56,995)	18,164	11,745	69,371

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY MONTH  
JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
PROGRAM 1:	51,835	22,690	18,465	42,455	43,949	23,108	29,298	17,947	57,735	37,340	28,967	50,378	424,167
PROGRAM 2:	31,500	-	-	121,500	(54,000)	-	40,500	-	-	-	-	-	139,500
PROGRAM 3:	18,182	33,863	76,605	31,237	13,332	203,979	77,713	134,880	99,207	88,161	99,885	101,680	978,724
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	325	-	-	-	200	438	525	-	650	525	25	2,688
PROGRAM 7:	4,050	3,650	7,175	17,810	17,325	38,991	26,450	35,241	43,078	38,025	25,048	54,830	311,673
PROGRAM 8:	200	-	-	-	1,824	-	-	-	(1,824)	200	-	-	400
PROGRAM 9:	20,305	23,023	64,160	51,883	50,746	17,469	25,466	10,469	27,956	26,271	26,672	25,605	370,025
PROGRAM 10:	1,442	1,390	1,731	3,494	2,048	1,870	1,847	1,324	1,659	2,064	1,542	2,200	22,611
COMMON COSTS	17,080	(19,335)	20,204	11,787	6,130	19,897	7,502	9,879	7,167	7,195	5,905	2,777	96,188
TOTAL	144,594	65,606	188,340	280,166	81,354	305,514	209,214	210,265	234,978	199,906	188,544	237,495	2,345,976
LESS: 2005 Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	144,594	65,606	188,340	280,166	81,354	305,514	209,214	210,265	234,978	199,906	188,544	237,495	2,345,976

SCHEDULE CT-2  
PROJECTED CONSERVATION COSTS PER MONTH  
JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
PROGRAM 1:	51,835	22,690	18,465	42,455	43,949	23,108	29,298	46,230	93,916	93,916	93,916	93,915	653,693
PROGRAM 2:	31,500	-	-	121,500	(54,000)	-	40,500	25,650	7,419	7,419	7,419	7,419	194,826
PROGRAM 3:	32,557	12,488	80,855	34,362	17,207	220,604	82,213	71,504	53,999	53,999	53,999	53,999	767,786
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	325	-	-	200	438	25	57	57	57	57	1,216
PROGRAM 7:	4,050	3,650	7,175	17,810	17,325	38,991	26,450	10,859	11,806	11,806	11,806	11,809	173,537
PROGRAM 8:	200	-	-	-	1,824	-	-	130	3,413	3,413	3,413	3,413	15,806
PROGRAM 9:	20,305	23,023	64,160	51,883	50,746	17,469	25,466	16,186	16,196	16,196	16,196	16,196	334,022
PROGRAM 10:	1,442	1,390	1,731	3,494	2,048	1,870	1,847	1,838	1,772	1,772	1,772	1,772	22,748
COMMON COSTS	2,705	2,040	15,954	8,662	2,255	3,272	3,002	12,375	19,989	14,239	14,239	14,239	112,971
TOTAL	144,594	65,281	188,665	280,166	81,354	305,514	209,214	184,797	208,567	202,817	202,817	202,819	2,276,605
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	144,594	65,281	188,665	280,166	81,354	305,514	209,214	184,797	208,567	202,817	202,817	202,819	2,276,605

SCHEDULE CT-2  
SUMMARY OF EXPENSES BY PROGRAM  
VARIANCE ACTUAL VERSUS PROJECTED  
JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
PROGRAM 1:	-	-	-	-	-	-	-	(28,283)	(36,181)	(56,576)	(64,949)	(43,537)	(229,526)
PROGRAM 2:	-	-	-	-	-	-	-	(25,650)	(7,419)	(7,419)	(7,419)	(7,419)	(55,326)
PROGRAM 3:	(14,375)	21,375	(4,250)	(3,125)	(3,875)	(16,625)	(4,500)	63,376	45,208	34,162	45,886	47,681	210,938
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	325	(325)	-	-	-	-	500	(57)	593	468	(32)	1,472
PROGRAM 7:	-	-	-	-	-	-	-	24,382	31,272	26,219	13,242	43,021	138,136
PROGRAM 8:	-	-	-	-	-	-	-	(130)	(5,237)	(3,213)	(3,413)	(3,413)	(15,406)
PROGRAM 9:	-	-	-	-	-	-	-	(5,717)	11,760	10,075	10,476	9,409	36,003
PROGRAM 10:	-	-	-	-	-	-	-	(514)	(113)	292	(230)	428	(137)
COMMON COSTS	14,375	(21,375)	4,250	3,125	3,875	16,625	4,500	(2,496)	(12,822)	(7,044)	(8,334)	(11,462)	(16,783)
TOTAL	-	325	(325)	-	-	-	-	25,468	26,411	(2,911)	(14,273)	34,676	69,371
LESS: 2005 Audit Adjustments:	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	325	(325)	-	-	-	-	25,468	26,411	(2,911)	(14,273)	34,676	69,371

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(104,265)	(160,801)	(164,051)	(132,544)	(114,369)	(107,092)	(99,400)	(95,993)	(104,932)	(103,709)	(115,590)	(122,986)	(1,425,732)
4 TOTAL REVENUES	(104,265)	(160,801)	(164,051)	(132,544)	(114,369)	(107,092)	(99,400)	(95,993)	(104,932)	(103,709)	(115,590)	(122,986)	(1,425,732)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,650)	(1,003,789)
6 CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(187,914)	(244,450)	(247,700)	(216,193)	(198,018)	(190,741)	(183,049)	(179,642)	(188,581)	(187,358)	(199,239)	(206,636)	(2,429,521)
7 CONSERVATION EXPENSES (FROM CT-3, PAGE 1)	144,594	65,606	188,340	280,166	81,354	305,514	209,214	210,265	234,978	199,906	188,544	237,495	2,345,976
8 TRUE-UP THIS PERIOD	(43,320)	(178,844)	(59,360)	63,973	(116,664)	114,773	26,165	30,623	46,397	12,548	(10,695)	30,859	(83,545)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(4,316)	(4,451)	(4,626)	(4,269)	(4,037)	(3,699)	(3,033)	(2,637)	(2,060)	(1,434)	(1,062)	(715)	(36,337)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(1,003,789)	(967,776)	(1,067,421)	(1,047,758)	(904,405)	(941,457)	(746,734)	(639,952)	(528,317)	(400,331)	(305,568)	(233,676)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,650	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(967,776)	(1,067,421)	(1,047,758)	(904,405)	(941,457)	(746,734)	(639,952)	(528,317)	(400,331)	(305,568)	(233,676)	(119,882)	(119,882)



CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
1. BEGINNING TRUE-UP	(1,003,789)	(967,776)	(1,067,421)	(1,047,758)	(904,405)	(941,457)	(746,734)	(639,952)	(528,317)	(400,331)	(305,568)	(233,676)	
2. ENDING TRUE-UP BEFORE INTEREST	(963,460)	(1,062,971)	(1,043,132)	(900,136)	(937,420)	(743,035)	(636,920)	(525,680)	(398,271)	(304,134)	(232,614)	(119,167)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,967,249)	(2,030,746)	(2,110,554)	(1,947,894)	(1,841,825)	(1,684,492)	(1,383,653)	(1,165,632)	(926,589)	(704,465)	(538,182)	(352,843)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(983,625)	(1,015,373)	(1,055,277)	(973,947)	(920,913)	(842,246)	(691,827)	(582,816)	(463,294)	(352,233)	(269,091)	(176,421)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.270%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	4.980%	
7. TOTAL (SUM LINES 5 & 6)	10.530%	10.520%	10.520%	10.520%	10.520%	10.540%	10.520%	10.860%	10.670%	9.770%	9.470%	9.730%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%	
9. MONTHLY AVG INTEREST RATE	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(4,316)	(4,451)	(4,626)	(4,269)	(4,037)	(3,699)	(3,033)	(2,637)	(2,060)	(1,434)	(1,062)	(715)	(36,337)
10. a. INT. ADJ													

DOCKET No. 080004-GU

Natural Gas Conservation Cost Recovery

EXHIBIT CB-2

FOR

FLORIDA CITY GAS

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 6

COMPANY Florida City Gas (Direct)

WITNESS Carolyn Bermudez (CB-2)

DATE 11-04-08

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: JANUARY 2009 THROUGH DECEMBER 2009  
 ACTUAL/ESTIMATED PERIOD: JANUARY 2008 THROUGH DECEMBER 2008  
 FINAL TRUE-UP PERIOD: JANUARY 2007 THROUGH DECEMBER 2007  
 COLLECTION PERIOD FOR PRIOR TRUE-UP: JANUARY 2007 THROUGH DECEMBER 2007

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 2,417,425
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 12)	<u>\$ 786,742</u>
3. TOTAL (LINE 1 AND 2)	<u>\$ 3,204,167</u>

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	DEMAND CHARGE	TOTAL CUST. & ENERGY CHG REVENUES	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERVATION FACTOR
GS-1, GS-100, GS-220 (Sales & Transportation)	95,598	17,655,755	\$ 11,222,928	\$ 8,957,412	\$ -	\$ 20,180,340	\$ 1,634,518	8.1000%	\$ 0.09258	1.00503	\$ 0.09304
GS-600 (Sales & Transportation)	1,152	1,022,501	\$ 165,888	\$ 446,454	\$ -	\$ 612,342	\$ 49,597	8.1000%	\$ 0.04851	1.00503	\$ 0.04875
GS-1200 (Sales & Transportation)	2,579	7,085,079	\$ 464,220	\$ 2,247,033	\$ -	\$ 2,711,253	\$ 219,599	8.1000%	\$ 0.03099	1.00503	\$ 0.03115
GS-6k (Sales & Transportation)	2,001	22,388,999	\$ 720,360	\$ 6,154,064	\$ -	\$ 6,874,424	\$ 556,798	8.1000%	\$ 0.02487	1.00503	\$ 0.02499
GS-25000 (Sales & Transportation)	300	11,480,979	\$ 288,000	\$ 3,170,817	\$ -	\$ 3,458,817	\$ 280,149	8.1000%	\$ 0.02440	1.00503	\$ 0.02452
GS-60000 (Sales & Transportation)	73	6,784,930	\$ 131,400	\$ 1,864,295	\$ -	\$ 1,995,695	\$ 161,642	8.1000%	\$ 0.02382	1.00503	\$ 0.02394
Gas Lights	221	22,800	\$ -	\$ 13,574	\$ -	\$ 13,574	\$ 1,099	8.1000%	\$ 0.04822	1.00503	\$ 0.04846
GS-120000 (Sales & Transportation)	52	8,904,090	\$ 156,000	\$ 1,610,215	\$ 186,606	\$ 1,952,821	\$ 158,170	8.1000%	\$ 0.01776	1.00503	\$ 0.01785
GS-250000 (Sales & Transportation)	18	8,720,300	\$ 64,800	\$ 1,499,107	\$ 196,611	\$ 1,760,518	\$ 142,594	8.1000%	\$ 0.01635	1.00503	\$ 0.01643
<b>TOTAL</b>	<u>101,994</u>	<u>84,065,433</u>	<u>\$ 13,213,596</u>	<u>\$ 25,962,971</u>	<u>\$ 383,217</u>	<u>\$ 39,559,784</u>	<u>\$ 3,204,167</u>				

PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM NAME	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
1. RESIDENTIAL BUILDER	\$ 24,538	\$ 17,527	\$ 13,528	\$ 18,769	\$ 34,007	\$ 21,009	\$ 15,442	\$ 31,652	\$ 31,729	\$ 32,598	\$ 32,407	\$ 32,319	\$ 305,525
2. MULTI-FAMILY RESIDENTIAL BLDG	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
3. APPLIANCE REPLACEMENT	52,704	125,849	75,439	114,661	49,509	100,687	152,971	53,161	53,120	55,677	53,850	53,645	\$ 941,273
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
6. RES PROPANE CONVERSION	425	-	-	-	-	-	-	167	168	169	170	171	\$ 1,270
7. RES WATER HEATER RETENTION	44,910	78,955	46,787	73,852	58,887	59,106	110,673	41,824	42,077	42,332	42,589	42,848	\$ 684,840
8. RES CUT AND CAP ALTERNATIVE	-	200	-	-	-	-	200	-	-	-	-	-	\$ 400
9. COMM/IND CONVERSION	21,464	23,761	32,767	25,736	34,555	40,965	26,806	29,987	37,315	30,687	38,400	29,572	\$ 372,015
10. COMM/IND ALTERNATIVE TECH. COMMON COSTS	1,805 2,642	1,463 1,822	2,420 5,807	1,962 3,713	1,811 4,981	2,098 3,430	2,257 3,988	4,638 9,520	4,587 9,529	4,607 10,216	4,705 9,765	4,621 9,715	\$ 36,974 75,128
TOTAL ALL PROGRAMS	\$ 148,488	\$ 249,577	\$ 176,748	\$ 238,693	\$ 183,750	\$ 227,295	\$ 312,337	\$ 170,949	\$ 178,525	\$ 176,286	\$ 181,886	\$ 172,891	\$ 2,417,425
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	\$ 148,488	\$ 249,577	\$ 176,748	\$ 238,693	\$ 183,750	\$ 227,295	\$ 312,337	\$ 170,949	\$ 178,525	\$ 176,286	\$ 181,886	\$ 172,891	\$ 2,417,425

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER	\$ -	\$ 114,824	\$ -	\$ -	\$ 182,476	\$ -	\$ 8,226	\$ -	\$ 305,526
2. MULTI-FAMILY RESIDENTIAL BLDR	-	-	-	-	-	-	-	-	-
3. APPLIANCE REPLACEMENT	-	135,428	-	708,517	84,336	-	12,992	-	941,273
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	-	-	-	1,270	-	-	-	1,270
7. RES WATER HEATER RETENTION	-	80,105	-	-	604,735	-	-	-	684,840
8. RES CUT AND CAP ALTERNATIVE	-	-	-	-	400	-	-	-	400
9. COMM/IND CONVERSION	-	286,078	-	-	52,378	-	33,559	-	372,015
10. COMM/IND ALTERNATIVE TECH.	-	34,181	-	-	-	-	2,792	-	36,973
COMMON COSTS	-	49,839	-	20,720	-	-	3,495	1,074	75,128
TOTAL ALL PROGRAMS	-	700,455	-	729,237	925,595	-	61,064	1,074	2,417,425
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENDITURES	\$ -	\$ 700,455	\$ -	\$ 729,237	\$ 925,595	\$ -	\$ 61,064	\$ 1,074	\$ 2,417,425

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1. RESIDENTIAL BUILDER									
A. ACTUAL (7 months)	\$ -	\$ 73,052	\$ -	\$ -	\$ 64,950	\$ -	\$ 4,626	\$ -	\$ 142,628
B. ESTIMATED (5 months)	-	38,425	-	-	117,526	-	3,599	-	159,550
C. TOTAL	-	111,477	-	-	182,476	-	8,225	-	302,178
2. MULTI-FAMILY RESIDENTIAL BLDR									
A. ACTUAL (7 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
3. APPLIANCE REPLACEMENT									
A. ACTUAL (7 months)	-	81,635	-	533,518	47,213	33,984	7,007	-	703,357
B. ESTIMATED (5 months)	-	49,850	-	175,000	37,123	-	5,985	-	267,958
C. TOTAL	-	131,485	-	708,518	84,336	33,984	12,992	-	971,315
4. DEALER PROGRAM									
A. ACTUAL (7 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS									
A. ACTUAL (7 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION									
A. ACTUAL (7 months)	-	-	-	-	425	-	-	-	425
B. ESTIMATED (5 months)	-	-	-	-	845	-	-	-	845
C. TOTAL	-	-	-	-	1,270	-	-	-	1,270
SUB-TOTAL	\$ -	\$ 242,962	\$ -	\$ 708,518	\$ 268,082	\$ 33,984	\$ 21,217	\$ -	\$ 1,274,763

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	<u>CAPITAL</u> <u>INVESTMENT</u>	<u>PAYROLL &amp;</u> <u>BENEFITS</u>	<u>MATERIALS &amp;</u> <u>SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE</u> <u>SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	\$ -	\$ 242,962	\$ -	\$ 708,518	\$ 268,082	\$ 33,984	\$ 21,217	\$ -	\$ 1,274,763
7. RES WATER HEATER RETENTION									
A. ACTUAL (7 months)	-	38,422	-	-	433,595	-	-	-	472,017
B. ESTIMATED (5 months)	-	39,350	-	-	171,140	-	-	-	210,490
C. TOTAL	-	77,772	-	-	604,735	-	-	-	682,507
8. RES CUT AND CAP ALTERNATIVE									
A. ACTUAL (7 months)	-	-	-	-	400	-	-	-	400
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	400	-	-	-	400
9. COMM/IND CONVERSION									
A. ACTUAL (7 months)	-	145,502	-	-	37,143	-	19,042	-	201,687
B. ESTIMATED (5 months)	-	132,245	-	-	15,236	-	14,517	-	161,998
C. TOTAL	-	277,747	-	-	52,379	-	33,559	-	363,685
10. COMM/IND ALTERNATIVE TECH.									
A. ACTUAL (7 months)	-	11,825	-	-	-	-	1,634	-	13,459
B. ESTIMATED (5 months)	-	21,360	-	-	-	-	1,158	-	22,518
C. TOTAL	-	33,185	-	-	-	-	2,792	-	35,977
COMMON COSTS									
A. ACTUAL (7 months)	-	22,752	-	-	-	-	1,875	1,074	25,701
B. ESTIMATED (5 months)	-	25,635	-	20,720	-	-	1,620	-	47,975
C. TOTAL	-	48,387	-	20,720	-	-	3,495	1,074	73,676
TOTAL	\$ -	\$ 680,053	\$ -	\$ 729,238	\$ 925,596	\$ 33,984	\$ 61,063	\$ 1,074	\$ 2,431,008

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
1. RESIDENTIAL BUILDER	\$ 22,044	\$ 14,992	\$ 10,981	\$ 16,211	\$ 31,433	\$ 18,509	\$ 28,457	\$ 31,421	\$ 31,498	\$ 32,367	\$ 32,176	\$ 32,088	302,177
2. MULTI-FAMILY RESIDENTIAL BLDR	-	-	-	-	-	-	-	-	-	-	-	-	-
3. APPLIANCE REPLACEMENT	53,480	125,579	75,912	115,819	48,744	104,426	179,398	52,862	52,821	55,378	53,551	53,346	971,316
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	425	-	-	-	-	-	-	167	168	169	170	171	1,270
7. RES WATER HEATER RETENTION	41,100	75,145	42,977	69,892	54,939	55,219	132,744	41,588	41,841	42,096	42,353	42,612	682,506
8. RES CUT AND CAP ALTERNATIVE	-	200	-	-	-	-	200	-	-	-	-	-	400
9. COMM/IND CONVERSION	20,899	23,193	32,078	25,076	33,954	40,347	26,140	29,195	36,522	29,895	37,607	28,779	363,685
10. COMM/IND ALTERNATIVE TECH.	1,759	1,427	2,356	1,910	1,763	2,046	2,198	4,510	4,459	4,479	4,577	4,493	35,977
COMMON COSTS	2,568	1,780	5,667	3,609	4,859	3,339	3,879	9,366	9,375	10,062	9,611	9,562	73,677
TOTAL ALL PROGRAMS	142,275	242,316	169,971	232,517	175,692	223,886	373,016	169,109	176,684	174,446	180,045	171,051	2,431,008
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RECOVERABLE	\$ 142,275	\$ 242,316	\$ 169,971	\$ 232,517	\$ 175,692	\$ 223,886	\$ 373,016	\$ 169,109	\$ 176,684	\$ 174,446	\$ 180,045	\$ 171,051	\$ 2,431,008



ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

CONSERVATION REVENUES	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
1. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(145,334)	(140,700)	(136,555)	(129,671)	(115,100)	(106,568)	(102,569)	(109,485)	(103,360)	(131,704)	(139,618)	(165,477)	(1,526,141)
4. TOTAL REVENUES	(145,334)	(140,700)	(136,555)	(129,671)	(115,100)	(106,568)	(102,569)	(109,485)	(103,360)	(131,704)	(139,618)	(165,477)	(1,526,141)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(126,342)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(155,863)	(151,229)	(147,084)	(140,200)	(125,629)	(117,097)	(113,098)	(120,014)	(113,889)	(142,233)	(150,147)	(176,006)	(1,652,483)
7. CONSERV. EXPS.	142,275	242,316	169,971	232,517	175,692	223,886	373,016	169,109	176,684	174,446	180,045	171,051	2,431,008
8. TRUE-UP THIS PERIOD	(13,588)	91,088	22,888	92,318	50,064	106,790	259,919	49,096	62,796	32,214	29,899	(4,955)	778,525
9. INTEREST PROV. THIS PERIOD	(409)	(203)	(28)	129	304	462	861	1,193	1,331	1,451	1,538	1,588	8,217
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(126,342)	(129,810)	(28,397)	4,991	107,966	168,862	286,642	557,949	618,766	693,421	737,614	779,579	
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	10,529	10,529	10,529	10,529	10,529	10,529	10,529	10,529	10,529	10,529	10,529	10,529	126,342
12. TOTAL NET TRUE-UP	\$ (129,810)	\$ (28,397)	\$ 4,991	\$ 107,966	\$ 168,862	\$ 286,642	\$ 557,949	\$ 618,766	\$ 693,421	\$ 737,614	\$ 779,579	\$ 786,742	\$ 786,742

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
1. BEGINNING TRUE-UP	\$ (126,342)	\$ (129,810)	\$ (28,397)	\$ 4,991	\$ 107,966	\$ 168,862	\$ 286,642	\$ 557,949	\$ 618,766	\$ 693,421	\$ 737,614	\$ 779,579	
2. ENDING TRUE-UP BEFORE INTEREST	(129,401)	(28,194)	5,019	107,837	168,558	286,180	557,089	617,573	692,090	736,163	778,041	785,153	
3. TOTAL BEGINNING & ENDING TRUE-UP	(255,743)	(158,004)	(23,378)	112,828	276,523	455,042	843,730	1,175,522	1,310,857	1,429,584	1,515,655	1,564,733	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	\$ (127,872)	\$ (79,002)	\$ (11,689)	\$ 56,414	\$ 138,262	\$ 227,521	\$ 421,865	\$ 587,761	\$ 655,428	\$ 714,792	\$ 757,827	\$ 782,366	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	4.600%	3.080%	3.090%	2.630%	2.840%	2.430%	2.450%	2.440%	2.440%	2.440%	2.440%	2.440%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	3.080%	3.090%	2.630%	2.840%	2.430%	2.450%	2.440%	2.440%	2.440%	2.440%	2.440%	2.440%	
7. TOTAL (SUM LINES 5 & 6)	7.680%	6.170%	5.720%	5.470%	5.270%	4.880%	4.890%	4.880%	4.880%	4.880%	4.880%	4.880%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	3.840%	3.085%	2.860%	2.735%	2.635%	2.440%	2.445%	2.440%	2.440%	2.440%	2.440%	2.440%	
9. MONTHLY AVG INTEREST RATE	0.320%	0.257%	0.238%	0.228%	0.220%	0.203%	0.204%	0.203%	0.203%	0.203%	0.203%	0.203%	
10. INTEREST PROVISION	\$ (409)	\$ (203)	\$ (28)	\$ 129	\$ 304	\$ 462	\$ 861	\$ 1,193	\$ 1,331	\$ 1,451	\$ 1,538	\$ 1,588	\$ 8,217

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL BUILDER - PROGRAM 1

**DESCRIPTION:** The Residential Builder Program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy-efficient natural gas appliances in residences that would qualify for the RS rates. The program offers builders and developers incentives in the form of cash allowances to assist in defraying the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas Tankless Water Heating .....	450
Gas Heating .....	350
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$142,628

**CITY GAS COMPANY OF FLORIDA**  
**Schedule C-5**  
**PROGRAM PROGRESS REPORT**

**NAME:** MULTI-FAMILY RESIDENTIAL BUILDER - PROGRAM 2

**DESCRIPTION:** The Multi-Family Residential Builder Program is designed to increase overall energy efficiency in the multi-family new construction market by promoting energy-efficient natural gas in multi-unit residences qualifying for the Company's CS rates.

**PROGRAM ALLOWANCES:**

See Program Summary

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program ended in February 2007 - Multi-Family developments are included in the Residential New Construction Program.

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM 3

**DESCRIPTION:** The Residential Appliance Replacement Program is designed to promote 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:**

Gas Storage Tank Water Heating .....	\$525
Gas Tankless Water Heating .....	525
Gas Heating .....	625
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$703,357

**CITY GAS COMPANY OF FLORIDA**  
**Schedule C-5**  
**PROGRAM PROGRESS REPORT**

**NAME:** DEALER - PROGRAM 4

**DESCRIPTION:** The Dealer Program is designed to encourage the replacement of non-gas appliances with energy efficient natural gas appliances through appliance dealers and contractors. The program offers incentives to the dealers and contractors.

**PROGRAM ALLOWANCES:**

Furnace .....  
Water Heater .....  
Range .....  
Dryer .....

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

This program was discontinued in February 1998 with Order #PSC-98-0154-GOF-GU granting the new programs.

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** GAS APPLIANCES IN SCHOOLS - PROGRAM 5

**DESCRIPTION:** The Gas Appliances in Schools Program is designed to promote natural gas appliances where cost-efficient, in Home Economic Departments in schools located in our Company's service area. The program provides teaching assistance on energy conservation and on the use, care, and safety of natural gas appliances through a Company-employed home economist.

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$0.

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL PROPANE CONVERSION - PROGRAM 6

**DESCRIPTION:** The Residential Propane Conversion Program is designed to promote the conversion of existing residential propane appliances to utilize efficient natural gas. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the conversion of their existing propane appliances to utilize natural gas.

**PROGRAM ALLOWANCES:**

Furnace .....	\$200
Water Heater .....	100
Dryer .....	50
Range .....	25

**REPORTING PERIOD: January 2008 through July 2008**

**PROGRAM SUMMARY:**

Program costs for the period were \$425



**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL WATER HEATER RETENTION - PROGRAM 7

**DESCRIPTION:** The Residential Water Heater Retention Program is designed to promote the retention of energy efficient natural gas water heaters in existing residential structures. 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 installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas Tankless Water Heating .....	450
Gas Heating .....	350
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$472,017

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL CUT AND CAP - PROGRAM 8

**DESCRIPTION:** The Residential Cut and Cap Program is designed to encourage the re-activation 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/or lease and the installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Service re-activation..... \$200

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$400

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** COMMERCIAL/INDUSTRIAL CONVERSION - PROGRAM 9

**DESCRIPTION:** The Commercial/Industrial Conversion Program is designed to promote the conversion of commercial and industrial inefficient non-gas equipment to energy efficient natural gas. The program offers incentives in the form of cash allowances to existing commercial and industrial businesses located in existing structures, to assist in defraying the incremental first costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

**PROGRAM ALLOWANCES:**

Per 100,000 BTU input rating..... \$75

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$201,687

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** COMMERCIAL/INDUSTRIAL ALTERNATIVE TECHNOLOGY INCENTIVE - PROGRAM 10

**DESCRIPTION:** The Commercial/Industrial Alternative Technology Incentive Program (ATI) is designed to encourage commercial and industrial business owners to install alternate technologies that utilize natural gas that are not covered by one of the other City Gas Energy Conservation Programs, but which cost-effectively reduce the total utility expense of the business. The program offers incentives based on the cost-effectiveness under a life-cycle analysis utilizing a computerized energy consumption simulation model.

**PROGRAM ALLOWANCES:**

Payback period of three years subject to a maximum incentive of three times the projected incremental annualized margin.

**REPORTING PERIOD:** January 2008 through July 2008

**PROGRAM SUMMARY:**

Program costs for the period were \$13,459

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-07 THROUGH December-07

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-07 THROUGH December-07		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(400,216)</u>	
5.	INTEREST	<u>(25,434)</u>	<u>(425,650)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(495,149)</u>	
9.	INTEREST	<u>(29,147)</u>	<u>(524,296)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>98,646</u>

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 7

COMPANY Fl. Public Utilities Co. (Direct)

WITNESS Marc S. Seagrave (MSS-1)

DATE 11-04-08

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

	FOR MONTHS	January-07	THROUGH	December-07	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	473,194		402,407	70,787
2.	Advertisement	970,780		769,097	201,683
3.	Legal	320		44,071	(43,751)
4.	Outside Services	11,508		10,527	981
5.	Vehicle	27,627		14,428	13,198
6.	Materials & Supplies	18,347		15,818	2,529
7.	Travel	8,068		8,327	(259)
8.	General & Administrative	6,864		27,589	(20,726)
9.	Incentives	705,518		1,048,532	(343,014)
10.	Other	27,347		18,074	9,273
11.	SUB-TOTAL	2,249,573		2,358,870	(109,297)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	2,249,573		2,358,870	(109,297)
14.	LESS: PRIOR PERIOD TRUE-UP	(268,309)		(268,309)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(2,381,480)		(2,585,710)	204,230
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(400,216)		(495,149)	94,933
19.	ADD INTEREST PROVISION	(25,434)		(29,147)	3,713
20.	END OF PERIOD TRUE-UP	(425,650)		(524,296)	98,646

() REFLECTS OVERRECOVERY

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2  
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-07 THROUGH December-07

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 Residential New Construction Program	25,865	57,432		2,144	1,330	290	(370)	1,402	197,445	2,962	288,498		288,498
2. Residential Appliance Replacement Program	51,949	425,377			1,313	619		248	179,206		658,712		658,712
3. Conservation Education Program	6,267	49,659				846	(122)	894			57,544		57,544
4. Space Conditioning Program	7,836	3,349			480		(175)				11,491		11,491
5. Residential Conservation Service Program	7,831	39,854				863		75		1,993	50,771		50,771
6. Residential Appliance Retention Program	67,630	146,951			943	731		248	328,250		544,753		544,753
7. Dealer / Contractor													
10. Commercial Conservation Service Program	7,845	40,857		7,496	758	2,624	333			2,000	61,913		61,913
12													
13. Residential Service Reactivation Program	1,638	34,300									35,938		35,938
14. Common	296,334	173,001	320	1,869	22,801	12,374	8,248	3,997	617	20,392	539,954		539,954
<b>TOTAL ALL PROGRAMS</b>	<b>473,194</b>	<b>970,780</b>	<b>320</b>	<b>11,508</b>	<b>27,627</b>	<b>18,347</b>	<b>8,068</b>	<b>6,864</b>	<b>705,518</b>	<b>27,347</b>	<b>2,249,573</b>		<b>2,249,573</b>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2  
PAGE 3 OF 3

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

FOR MONTHS January-07 THROUGH December-07

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction Program	(11,014)	10,137		981	1,240	120	(370)	108	(254,406)	770	(252,434)		(252,434)
2. Residential Appliance Replacement Program	17,796	25,857			959	119			(32,192)		12,539		12,539
3. Conservation Education Program	(1,406)	3,320				284	(0)	0			2,198		2,198
4. Space Conditioning Program	1,407	(2,073)			480		(81)				(266)		(266)
5. Residential Conservation Service Program	(218)	(16,900)				492	0			269	(16,356)		(16,356)
6. Residential Appliance Retention Program	17,496	51,152			662	120			(42,417)		27,013		27,013
7. Dealer / Contractor													
10. Commercial Conservation Service Program	(6,878)	34,987	(1,667)		273	(0)	(0)			2,000	28,714		28,714
12. Residential Service Reactivation Program	(50)	33,900									33,850		33,850
14. Common	53,655	61,303	(42,084)	(0)	9,584	1,394	193	(20,834)	(14,000)	6,234	55,444		55,444
<b>TOTAL ALL PROGRAMS</b>	<b>70,787</b>	<b>201,683</b>	<b>(43,751)</b>	<b>981</b>	<b>13,198</b>	<b>2,529</b>	<b>(259)</b>	<b>(20,726)</b>	<b>(343,014)</b>	<b>9,273</b>	<b>(109,297)</b>		<b>(109,297)</b>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

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-07 THROUGH December-07

A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction Program	16,847	19,864	20,988	80,995	6,435	28,761	14,955	19,284	12,995	20,146	10,232	38,993	290,495
2.	Residential Appliance Replacement Program	13,706	16,685	67,492	98,305	79,800	105,833	43,101	84,087	26,285	63,151	36,979	23,288	658,712
3.	Conservation Education Program	778	1,482	1,027	42,218	476	2,067	2,716	3,460	165	2,308	639	208	57,544
4.	Space Conditioning Program	550	(25)	568	477	671	4,959	806	736	715	740	643	650	11,491
5.	Residential Conservation Service Program	447	1,102	1,050	1,956	1,973	1,690	1,409	9,773	27,452	669	2,545	707	50,771
6.	Residential Appliance Retention Program	27,830	40,556	61,989	28,365	25,321	45,767	26,662	33,782	36,064	99,150	79,582	39,684	544,753
7.	Dealer / Contractor		0											0
10.	Commercial Conservation Service Program	755	7,294	4,022	1,326	350	6,217	1,149	6,658	30,629	(350)	1,493	372	59,915
12.														
13.	Residential Service Reactivation Program		40			459	560	629	(50)	16,494	17,806			35,938
14.	Common	30,797	32,118	37,424	41,626	39,571	86,863	45,690	40,770	43,617	50,607	43,920	46,950	539,954
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573

EXHIBIT NO. \_\_\_\_\_  
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FLORIDA PUBLIC UTILITIES COMPANY  
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3  
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-07 THROUGH December-07

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(140,256)	(131,577)	(156,351)	(181,929)	(217,637)	(2,381,480)
3. TOTAL REVENUES	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(140,256)	(131,577)	(156,351)	(181,929)	(217,637)	(2,381,480)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(22,360)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(268,309)
5. CONSERVATION REVENUE APPLICABLE	(290,229)	(289,208)	(301,858)	(246,827)	(208,721)	(197,345)	(176,056)	(162,615)	(153,936)	(178,710)	(204,288)	(239,996)	(2,649,789)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(198,519)	(170,090)	(107,299)	48,442	(53,666)	85,373	(38,939)	35,883	40,480	75,517	(28,254)	(89,144)	(400,216)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(1,308)	(1,957)	(2,475)	(2,628)	(2,619)	(2,553)	(2,448)	(2,362)	(2,085)	(1,741)	(1,546)	(1,712)	(25,434)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(268,309)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(268,309)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	22,360	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	268,309
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(425,650)	(425,650)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3  
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-07 THROUGH December-07

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(268,309)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(268,309)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(444,468)	(593,507)	(680,404)	(612,078)	(646,013)	(540,900)	(560,032)	(504,238)	(443,761)	(347,970)	(355,607)	(423,938)	(400,216)
3. TOTAL BEG. AND ENDING TRUE-UP	(712,777)	(1,039,283)	(1,275,868)	(1,294,957)	(1,260,719)	(1,189,531)	(1,103,485)	(1,066,718)	(950,361)	(793,816)	(705,318)	(781,090)	(668,525)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(356,388)	(519,641)	(637,934)	(647,478)	(630,360)	(594,766)	(551,742)	(533,359)	(475,180)	(396,908)	(352,659)	(390,545)	(334,262)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	4.30%	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.27%	5.26%	5.27%	5.25%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.27%	5.26%	5.27%	5.25%	5.27%	
7. TOTAL (LINE C-5 + C-6)	8.81%	9.04%	9.31%	9.74%	9.97%	10.30%	10.65%	10.63%	10.53%	10.53%	10.52%	10.52%	
8. AVG. INTEREST RATE (C-7 X 50%)	4.41%	4.52%	4.66%	4.87%	4.99%	5.15%	5.33%	5.32%	5.27%	5.27%	5.26%	5.26%	
9. MONTHLY AVERAGE INTEREST RATE	0.367%	0.377%	0.388%	0.406%	0.415%	0.429%	0.444%	0.443%	0.439%	0.439%	0.438%	0.438%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(1,308)	(1,957)	(2,475)	(2,628)	(2,619)	(2,553)	(2,448)	(2,362)	(2,085)	(1,741)	(1,546)	(1,712)	(25,434)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4  
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SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-07 THROUGH December-07

PROGRAM NAME:	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	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

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-07 THROUGH December-07

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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

**PROGRAM TITLE:** Residential New Construction Program

**PROGRAM DESCRIPTION:** The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

**PROGRAM ACCOMPLISHMENTS:** For the reporting period 710 incentives were paid. There were 86 heating (furnaces), 235 water heaters, 188 dryers, and 201 ranges.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$288,498.

**PROGRAM TITLE:** Residential Appliance Replacement Program

**PROGRAM DESCRIPTION:** This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances

**PROGRAM ACCOMPLISHMENTS:** For the reporting period a total of 352 incentives were paid. There were 18 heating (furnaces), 123 tankless water heaters, 70 storage tank style water heaters, 71 dryers, and 70 ranges.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$658,712.

**PROGRAM PROGRESS SUMMARY:** The FPSC approved this program on August 29, 2000. From the inception FPUC has provided 2,274 appliance replacement incentives for connecting approved natural gas appliances to its system.



**PROGRAM TITLE:** Residential Appliance Retention Program

**PROGRAM DESCRIPTION:** The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program was expanded during the reporting period to include additional appliances to include furnaces, tankless hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchase the more expensive energy-efficient natural gas appliances.

**PROGRAM ACCOMPLISHMENTS:** For the reporting period 735 incentives were paid. There we 52 heating (furnaces), 166 tankless water heater, 323 storage tank style water heaters, 64 dryers, and 130 ranges.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$544,753.

**PROGRAM PROGRESS SUMMARY:** The FPSC approved this program on August 29, 2000. From the inception FPUC has retained 5627 natural gas hot water heaters.

**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 incentives to residential customers to assist in defraying the additional cost associated with the purchase and installation energy-efficient natural gas appliances.

**PROGRAM ACCOMPLISHMENTS:** For the reporting period 0 incentives were paid.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$35,938.

**PROGRAM PROGRESS SUMMARY:** FPSC approval of this program occurred on August 29<sup>th</sup>, 2000. From the inception of this program through the reporting period, FPUC has not reactivated any services with water heaters as a result of this program.

**PROGRAM TITLE:** Residential Conservation Service Program

**PROGRAM DESCRIPTION:** The objective of the Residential Conservation Service Program is to provide Florida Public Utilities Company's residential customers with energy conservation advice based on review of their homes actual performance that encourages the implementation of efficiency measures and/or practices resulting in energy savings for the customer. Florida Public Utilities Company views this program as a way of promoting the installation of cost-effective conservation measures. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage.

**PROGRAM ACCOMPLISHMENTS:** This year a total of 28 surveys were performed.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$50,771.

**PROGRAM PROGRESS SUMMARY:** This program was implemented on September 1, 2000. Since inception through December 2007, 77 residential customers have participated.

**PROGRAM TITLE:** Commercial Conservation Service Program

**PROGRAM DESCRIPTION:** The Commercial Conservation Service Program is an interactive program that assists commercial customers in identifying energy conservation opportunities. The survey process consists of an on-site review of the customer's facility operation, equipment, and energy usage pattern by a Florida Public Utilities Company Conservation Representative. The representative identifies all areas of potential energy usage reduction as well as identifying end-use technology opportunities. A technical evaluation is then performed to determine the economic payback or life cycle cost for various improvements to the facility. Florida Public Utilities Company will subcontract the evaluation process to an independent engineering firm and/or contracting consultant, if necessary.

**PROGRAM ACCOMPLISHMENTS:** This year a total of 7 surveys were completed during the reporting period.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$61,913.

**PROGRAM PROGRESS SUMMARY:** This program was implemented on September 1<sup>st</sup> 2000. From the inception of this program through December 31<sup>st</sup>, 2007 143 commercial customers have participated.

**PROGRAM TITLE:** Conservation Education Program

**PROGRAM DESCRIPTION:** The purpose of the Conservation Education Program is to educate consumers, businesses, and contractors to make wise energy choices. For consumers to make educated choices they must know the benefits of conserving energy and have a basic understanding of energy as well as the measures and behavioral practices needed to make these choices.

**PROGRAM ACCOMPLISHMENTS:** This year FPU conducted seminars reaching 104 customers.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$57,544.

**PROGRAM PROGRESS SUMMARY:** This program has been successful and we are optimistic that our customers will continue to involve us to an even greater extent in the future on upcoming commercial and residential construction projects.

**PROGRAM TITLE: Space Conditioning Program**

**PROGRAM DESCRIPTION:** The program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides a financial incentive to qualified participants to compensate for the higher initial cost of natural gas space conditioning equipment. The program reduces summer as well as winter peak demand and contributes to consumption reduction.

**PROGRAM ACCOMPLISHMENTS:** There were no participants in this program in 2007.

**PROGRAM FISCAL EXPENDITURES:** The expenditures for the reporting period of January 1, 2007 through December 31 2007 were \$11,491.

**PROGRAM PROGRESS SUMMARY:** From FPSC approval of the program on August 29, 2000 through December 31<sup>st</sup> 2007 FPUC has connected 10 space conditioning projects to its natural gas system.

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,250,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(409,776)
3. TOTAL (LINE 1 AND LINE 2)	1,840,224

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	570,435	12,143,150	4,563,480	5,869,999	10,433,479	821,949	7.87799%	0.06769	1.00503	0.06803
COMMERCIAL SMALL (General Service & GS Transportation)	42,846	13,002,730	642,690	4,174,787	4,817,477	379,520	7.87799%	0.02919	1.00503	0.02934
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	15,449	31,134,850	695,205	7,412,896	8,108,101	638,755	7.87799%	0.02052	1.00503	0.02062
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	7.87799%	0.02052	1.00503	0.02062
<b>TOTAL</b>	<b>628,730</b>	<b>56,280,730</b>	<b>5,901,375</b>	<b>17,457,682</b>	<b>23,359,057</b>	<b>1,840,224</b>				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 8  
 COMPANY FL Public Utilities Co. (Direct)  
 WITNESS Marc S. Seagrave (MSS-1)  
 DATE 11-04-08

EXHIBIT NO. \_\_\_\_\_  
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FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	NOV 2009	DEC 2009	TOTAL
1 Full House Residential New Construction	36,391	36,391	36,391	36,391	36,391	36,391	36,391	36,391	36,391	36,391	36,391	36,388	436,689
2 Resid. Appliance Replacement	25,162	25,162	25,162	25,162	25,162	25,162	25,162	25,162	25,162	25,162	25,162	25,162	301,944
3 Conservation Education	5,774	5,774	5,774	5,774	5,774	5,774	5,774	5,774	5,774	5,774	5,774	5,777	69,291
4 Space Conditioning	721	721	721	721	721	721	721	721	721	721	721	719	8,650
5 Residential Conservation Service	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,786	45,399
6 Residential Appliance Retention	41,960	41,960	41,960	41,960	41,960	41,960	41,960	41,960	41,960	41,960	41,960	41,959	503,519
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	3,952	3,952	3,952	3,952	3,952	3,952	3,952	3,952	3,952	3,952	3,952	3,954	47,426
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	205	205	205	205	205	205	205	205	205	205	205	202	2,457
14 Common	69,552	69,552	69,552	69,552	69,552	69,552	69,552	69,552	69,552	69,552	69,552	69,553	834,625
<b>TOTAL ALL PROGRAMS</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>2,250,000</b>

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FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	40,264	809	42,890	314,154	1,750	4,336	32,486	436,689
2 Resid. Appliance Replacement	0	46,467	1,463	106,513	128,881	0	2,974	15,646	301,944
3 Conservation Education	0	263	4,562	61,607	0	0	0	2,859	69,291
4 Space Conditioning	0	8,034	0	0	0	0	616	0	8,650
5 Residential Conservation Service	0	5,160	1,289	26,031	0	0	874	12,045	45,399
6 Residential Appliance Retention	0	69,192	898	129,129	289,591	0	2,057	12,652	503,519
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	0	6,734	0	24,304	0	11,201	505	4,682	47,426
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	0	78	0	1,023	1,356	0	0	0	2,457
14 Common	0	511,038	1,870	214,206	0	35,669	33,683	38,159	834,625
<b>PROGRAM COSTS</b>	<u>0</u>	<u>687,230</u>	<u>10,891</u>	<u>605,703</u>	<u>733,982</u>	<u>48,620</u>	<u>45,045</u>	<u>118,529</u>	<u>2,250,000</u>

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2008 THROUGH JULY 2008; ESTIMATED AUGUST 2008 THROUGH DECEMBER 2008

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL	0	22,570	454	27,167	176,100	981	2,431	18,210	247,913
B. ESTIMATED	0	20,833	0	27,083	250,000	0	0	0	297,916
C. TOTAL	0	43,403	454	54,250	426,100	981	2,431	18,210	545,829
2 Resid. Appliance Replacement									
A. ACTUAL	0	28,168	887	64,845	78,125	0	1,803	9,484	183,312
B. ESTIMATED	0	2,917	0	89,583	145,833	0	0	0	238,333
C. TOTAL	0	31,085	887	154,428	223,958	0	1,803	9,484	421,645
3 Conservation Education									
A. ACTUAL	0	166	2,564	38,845	0	0	0	1,803	43,378
B. ESTIMATED	0	4,167	0	3,333	0	2,083	0	0	9,583
C. TOTAL	0	4,333	2,564	42,178	0	2,083	0	1,803	52,961
4 Space Conditioning									
A. ACTUAL	0	4,606	0	0	0	0	353	0	4,959
B. ESTIMATED	0	1,667	0	2,917	0	1,667	0	0	6,251
C. TOTAL	0	6,273	0	2,917	0	1,667	353	0	11,210
5 Residential Conservation Service									
A. ACTUAL	0	3,301	825	16,652	0	0	559	7,705	29,042
B. ESTIMATED	0	1,250	2,083	60,417	0	0	0	0	63,750
C. TOTAL	0	4,551	2,908	77,069	0	0	559	7,705	92,792
6 Residential Appliance Retention									
A. ACTUAL	0	41,526	539	77,776	173,800	0	1,234	7,593	302,468
B. ESTIMATED	0	11,250	0	87,500	172,917	0	0	0	271,667
C. TOTAL	0	52,776	539	165,276	346,717	0	1,234	7,593	574,135
<b>SUB-TOTAL</b>	<b>0</b>	<b>142,421</b>	<b>7,352</b>	<b>496,118</b>	<b>996,775</b>	<b>4,731</b>	<b>6,380</b>	<b>44,795</b>	<b>1,698,572</b>

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2008 THROUGH JULY 2008; ESTIMATED AUGUST 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	142,421	7,352	496,118	996,775	4,731	6,380	44,795	1,698,572
7 Dealer / Contractor									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service									
A. ACTUAL	0	3,713	0	13,401	0	6,176	278	2,582	26,150
B. ESTIMATED	0	10,417	0	1,667	0	2,083	0	0	14,167
C. TOTAL	0	14,130	0	15,068	0	8,259	278	2,582	40,317
12 Commercial Equipment Repair									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation									
A. ACTUAL	0	30	0	396	525	0	0	0	951
B. ESTIMATED	0	0	0	417	0	0	0	0	417
C. TOTAL	0	30	0	813	525	0	0	0	1,368
14 Common									
A. ACTUAL	0	194,285	1,076	85,135	0	35	13,208	7,118	300,857
B. ESTIMATED	0	86,667	5,000	54,167	0	20,833	14,583	0	181,250
C. TOTAL	0	280,952	6,076	139,302	0	20,868	27,791	7,118	482,107
<b>TOTAL</b>	<b>0</b>	<b>437,533</b>	<b>13,428</b>	<b>651,301</b>	<b>997,300</b>	<b>33,858</b>	<b>34,449</b>	<b>54,495</b>	<b>2,222,364</b>

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CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
ACTUAL JANUARY 2008 THROUGH JULY 2008; ESTIMATED AUGUST 2008 THROUGH DECEMBER 2008

PROGRAM NAME	----- ACTUAL -----							--- PROJECTION ---					TOTAL
	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	
Full House Residential New Construction	27,489	18,931	34,131	9,677	66,137	66,571	24,977	59,583	59,583	59,583	59,583	59,587	545,832
Resid. Appliance Replacement	37,727	25,900	34,453	34,763	14,796	17,542	18,131	47,666	47,666	47,666	47,666	47,671	421,647
Conservation Education	11,838	6,148	10,028	10,033	(19)	4,369	981	1,916	1,916	1,916	1,916	1,916	52,958
Space Conditioning	632	580	564	800	824	736	823	1,250	1,250	1,250	1,250	1,250	11,209
Residential Conservation Service	11,303	5,067	2,366	164	2,073	1,681	6,388	12,750	12,750	12,750	12,750	12,750	92,792
Residential Appliance Retention	52,106	52,664	55,890	40,657	34,374	34,693	32,085	54,333	54,333	54,333	54,333	54,337	574,138
Dealer / Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Conservation Service	314	4,086	1,807	5,394	616	13,485	449	2,833	2,833	2,833	2,833	2,833	40,316
Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Service Reactivation	396	0	0	0	555	0	0	83	83	83	83	83	1,366
Common	34,491	24,685	66,700	43,641	38,301	41,718	51,320	36,250	36,250	36,250	36,250	36,250	482,106
<b>TOTAL ALL PROGRAMS</b>	<b>176,296</b>	<b>138,061</b>	<b>205,939</b>	<b>145,129</b>	<b>157,657</b>	<b>180,795</b>	<b>135,154</b>	<b>216,664</b>	<b>216,664</b>	<b>216,664</b>	<b>216,664</b>	<b>216,677</b>	<b>2,222,364</b>

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ENERGY CONSERVATION ADJUSTMENT  
ACTUAL JANUARY 2008 THROUGH JULY 2008; ESTIMATED AUGUST 2008 THROUGH DECEMBER 2008

	----- ACTUAL -----							--- PROJECTION ---					TOTAL
	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	
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)	(231,544)	(198,684)	(208,887)	(171,967)	(149,673)	(124,790)	(118,649)	(197,567)	(197,567)	(197,567)	(197,567)	(197,567)	(2,192,029)
TOTAL REVENUES	(231,544)	(198,684)	(208,887)	(171,967)	(149,673)	(124,790)	(118,649)	(197,567)	(197,567)	(197,567)	(197,567)	(197,567)	(2,192,029)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(35,549)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(35,555)	(426,654)
CONSERVATION REVS. APPLIC. TO PERIOD	(267,093)	(234,239)	(244,442)	(207,522)	(185,228)	(160,345)	(154,204)	(233,122)	(233,122)	(233,122)	(233,122)	(233,122)	(2,618,683)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	176,296	138,061	205,939	145,129	157,657	180,795	135,154	216,664	216,664	216,664	216,664	216,677	2,222,364
TRUE-UP THIS PERIOD	(90,797)	(96,178)	(38,503)	(62,393)	(27,571)	20,450	(19,050)	(16,458)	(16,458)	(16,458)	(16,458)	(16,445)	(396,319)
INTEREST THIS PERIOD (C-3, PAGE 5)	(1,526)	(1,321)	(1,303)	(1,283)	(1,260)	(1,104)	(1,035)	(999)	(962)	(925)	(888)	(851)	(13,457)
TRUE-UP & INT. BEG. OF MONTH	(426,654)	(483,428)	(545,371)	(549,623)	(577,744)	(571,020)	(516,119)	(500,649)	(482,551)	(464,416)	(446,244)	(428,035)	(426,654)
PRIOR TRUE-UP COLLECT. (REFUND.)	35,549	35,555	35,555	35,555	35,555	35,555	35,555	35,555	35,555	35,555	35,555	35,555	426,654
Audit Adj. - Prior period													0
END OF PERIOD TOTAL NET TRUE-UP	(483,428)	(545,371)	(549,623)	(577,744)	(571,020)	(516,119)	(500,649)	(482,551)	(464,416)	(446,244)	(428,035)	(409,776)	(409,776)

EXHIBIT NO. \_\_\_\_\_  
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FLORIDA PUBLIC UTILITIES COMPANY  
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CALCULATION OF TRUE-UP AND INTEREST PROVISION  
ACTUAL JANUARY 2008 THROUGH JULY 2008; ESTIMATED AUGUST 2008 THROUGH DECEMBER 2008

	----- ACTUAL -----							--- PROJECTION ---					TOTAL
	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	
INTEREST PROVISION													
BEGINNING TRUE-UP	(426,654)	(483,428)	(545,371)	(549,623)	(577,744)	(571,020)	(516,119)	(500,649)	(482,551)	(464,416)	(446,244)	(428,035)	
END. T-UP BEFORE INT.	(481,902)	(544,051)	(548,319)	(576,461)	(569,760)	(515,015)	(499,614)	(481,552)	(463,454)	(445,319)	(427,147)	(408,925)	
TOT. BEG. & END. T-UP	(908,556)	(1,027,478)	(1,093,691)	(1,126,083)	(1,147,504)	(1,086,035)	(1,015,733)	(982,201)	(946,005)	(909,735)	(873,391)	(836,960)	
AVERAGE TRUE-UP	(454,278)	(513,739)	(546,845)	(563,042)	(573,752)	(543,017)	(507,866)	(491,100)	(473,002)	(454,867)	(436,695)	(418,480)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.44%	2.44%	2.44%	2.44%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.44%	2.44%	2.44%	2.44%	2.44%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.88%	4.88%	4.88%	4.88%	4.88%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.44%	2.44%	2.44%	2.44%	2.44%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	(\$1,526)	(\$1,321)	(\$1,303)	(\$1,283)	(\$1,260)	(\$1,104)	(\$1,035)	(\$999)	(\$962)	(\$925)	(\$888)	(\$851)	(\$13,457)

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**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  
PAGE 2 OF 9**

**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	\$350
Water Heater	\$350
Range	\$100
Dryer	\$100
Tankless	\$450

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2009, FPUC estimates that 464 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 2009, FPUC estimates expenses of \$436,690.

**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, 2008, FPUC has connected 2,391 single- and multi-family homes to its natural gas system.

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

**SCHEDULE C-5  
PAGE 3 OF 9**

**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	\$625
Water Heater	\$525
Range	\$100
Dryer	\$100
Tankless	\$525

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December **2009**, FPUC estimates that 338 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 **2009**, FPUC estimates expenses of \$301,945.

**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 2008, FPUC has connected 2,536 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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

**SCHEDULE C-5  
PAGE 4 OF 9**

**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:**

Furnace or Hydro heater	\$350
Water Heater	\$350
Range	\$100
Dryer	\$100
Tankless	\$450

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December **2009**, FPUC estimates that 960 appliances will be connected to its system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December **2009**, FPUC estimates expenses of \$503,519.

**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, 2008, FPUC has retained 4,545 natural gas appliances connected to its distributions system.

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

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

**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 **2009**, 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 **2009**, FPUC estimates expenses of \$0.

**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, 2008 FPUC has not reactivated any services with water heaters as a result of this program.

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

**SCHEDULE C-5  
PAGE 6 OF 9**

**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 **2009**, FPUC estimates that 45 residential customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December **2009**, FPUC estimates expenses of \$45,399.

**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, 2008, 187 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

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

**SCHEDULE C-5  
PAGE 7 OF 9**

**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 **2009**, FPUC estimates that 44 commercial customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December **2009**, FPUC estimates expenses of \$47,426.

**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, 2008, 115 commercial customers have participated.

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

**SCHEDULE C-5  
PAGE 8 OF 9**

**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 2009, FPUC estimates that 35 adult and youth presentations with 250 participants will result from this program.

**PROGRAM FISCAL EXPENDITURES:**

During this twelve-month period of January to December 2009, FPUC estimates expenses of \$65,292.

**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, 2002, FPUC has given 72 adult and youth presentations.

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

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

**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 2009, FPUC estimates that 1 customer projects will utilize this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2009, FPUC estimates expenses of \$8,650.

**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, 2008, FPUC has connected 8 space conditioning projects to its natural gas system.

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DOCKET NO. 080004-GU  
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Docket No. 080004-GU

Exhibit \_\_\_\_\_ (MMP-1)

INDIANTOWN GAS COMPANY, INC.

CONSERVATION COST RECOVERY TRUE-UP

January 1, 2007 through December 31, 2007

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 9

COMPANY Indiantown Gas Co. (Direct)

WITNESS Melissa M. Powers (MMP-1)

DATE 11-04-08



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SCHEDULE CT-1

COMPANY: Indiantown Gas Company  
Docket No. 080004-GU  
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ADJUSTED NET TRUE-UP  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	(1,862)	
INTEREST	<u>228</u>	(1,633)

LESS PROJECTED TRUE-UP

PRINCIPLE	0	
INTEREST	<u>0</u>	<u>0</u>

ADJUSTED NET TRUE-UP (1,633)

( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	2,930	0	2,930
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	1,100	0	1,100
OUTSIDE SERVICES	11,534	0	11,534
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	15,563	0	15,563
PROGRAM REVENUES	<u>(17,425)</u>	<u>0</u>	<u>(17,425)</u>
TOTAL PROGRAM COSTS	15,563	0	15,563
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(17,425)	0	(17,425)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(1,862)	0	(1,862)
INTEREST PROVISION	<u>228</u>	<u>0</u>	<u>228</u>
END OF PERIOD TRUE-UP	<u>(1,633)</u>	<u>0</u>	<u>(1,633)</u>

( ) REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	977	0	0	0	3,845	0	0	4,821
PROGRAM 2: Residential Appliance Replacement Program	0	977	0	0	0	3,845	0	0	4,821
PROGRAM 3: Residential Appliance Retention Program	0	977	0	0	1,100	3,845	0	0	5,921
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,930</b>	<b>0</b>	<b>0</b>	<b>1,100</b>	<b>11,534</b>	<b>0</b>	<b>0</b>	<b>15,563</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	977	0	0	0	3,845	0	0	4,821
PROGRAM 2: Residential Appliance Replacement Program	0	977	0	0	0	3,845	0	0	4,821
PROGRAM 3: Residential Appliance Retention Program	0	977	0	0	1,100	3,845	0	0	5,921
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5: 0	0	0	0	0	0	0	0	0	0
PROGRAM 6: 0	0	0	0	0	0	0	0	0	0
PROGRAM 7: 0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	2,930	0	0	1,100	11,534	0	0	15,563

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: Residential New Construction Program	0	0	1,667	450	75	1,653	0	0	90	150	120	451	4,656
PROGRAM 2: Residential Appliance Replacement Program	0	0	1,667	450	75	1,653	15	150	90	150	120	451	4,821
PROGRAM 3: Residential Appliance Retention Program	0	0	1,667	450	75	1,653	215	450	290	250	120	751	5,921
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>1,350</b>	<b>225</b>	<b>4,959</b>	<b>245</b>	<b>751</b>	<b>470</b>	<b>551</b>	<b>361</b>	<b>1,652</b>	<b>15,563</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>1,350</b>	<b>225</b>	<b>4,959</b>	<b>245</b>	<b>751</b>	<b>470</b>	<b>551</b>	<b>361</b>	<b>1,652</b>	<b>15,563</b>

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	0	0	0	0	0	(701)	(2,544)	(2,745)	(2,178)	(2,649)	(2,821)	(3,787)	(17,425)
4. TOTAL REVENUES	0	0	0	0	0	(701)	(2,544)	(2,745)	(2,178)	(2,649)	(2,821)	(3,787)	(17,425)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	0	0	0	0	0	(701)	(2,544)	(2,745)	(2,178)	(2,649)	(2,821)	(3,787)	(17,425)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	0	0	5,000	1,350	225	4,959	245	751	470	551	361	1,652	15,563
8. TRUE-UP THIS PERIOD	0	0	5,000	1,350	225	4,258	(2,299)	(1,994)	(1,707)	(2,099)	(2,460)	(2,135)	(1,862)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	0	0	11	25	28	39	43	36	26	16	7	(2)	228
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	0	0	0	5,011	6,386	6,639	10,936	8,680	6,722	5,040	2,958	504	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	0	0	0	0	0	0	0	0	0	0	0	0	0
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	0	0	5,011	6,386	6,639	10,936	8,680	6,722	5,040	2,958	504	(1,633)	(1,633)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	0	0	0	5,011	6,386	6,639	10,936	8,680	6,722	5,040	2,958	504	
2. ENDING TRUE-UP BEFORE INTEREST	0	0	5,000	6,361	6,611	10,897	8,637	6,686	5,014	2,942	497	(1,631)	
3. TOTAL BEGINNING & ENDING TRUE-UP	0	0	5,000	11,372	12,997	17,537	19,573	15,365	11,736	7,982	3,455	(1,127)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	0	0	2,500	5,686	6,498	8,768	9,786	7,683	5,868	3,991	1,728	(563)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.05%	4.75%	4.98%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	4.98%	
7. TOTAL (SUM LINES 5 & 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.56%	10.48%	11.24%	10.67%	9.77%	9.50%	9.96%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.34%	4.89%	4.75%	4.98%	
9. MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.47%	0.44%	0.41%	0.40%	0.42%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	0	0	11	25	28	39	43	36	26	16	7	(2)	228





**Schedule CT-5**

Indiantown Gas Company, Inc.

Reconciliation and Explanation of Differences between Filing and PSC Audit Report  
for January 2007 through December 2007.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

**Schedule CT-6**  
Page 1 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

Program Title:  
Residential New Construction Program

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any homebuilder or developer who installs the below listed energy efficient appliances.

Allowances:  
Conservation allowances for 2007 are:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Projections:  
For the twelve-month period January 2007 through December 2007, The Company estimated that 17 homes would be connected to the system. During this period, zero (0) new home allowances were paid, although several homes are currently under construction for completion in 2008.

Program Fiscal Expenditures:  
During the twelve-month period, expenditures for this program totaled \$4,821 for associated start-up costs.

Program Progress Summary:  
Since the program's inception in July 2007, zero (0) new homes allowances have been paid. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residences. The company is currently in negotiations for a 50-home Habitat for Humanity project, which is scheduled to bring 4 to 6 homes into service in 2008.

**Schedule CT-6**  
Page 2 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

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. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowances:  
Conservation allowances for 2007 are:  
    \$525 Gas Storage Tank Water Heating  
    \$525 Gas Tankless Water Heating  
    \$625 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Projections:  
For the twelve-month period January 2007 through December 2007, we estimated that 5 residences would qualify for incentives during this period. The Company recorded 0 residential appliance replacement program payments in 2007.

Program Fiscal Expenditures:  
For this twelve-month period, IGC incurred program costs of \$4,821 for program initiation.

Program Summary:  
Since inception, 0 residences have qualified for this program. The company plans to expand its informational campaign during 2008 for this program.

Schedule CT-6  
Page 3 of 4

**Indiantown Gas Company, Inc.  
Program Description and Progress**

Program Title:

Residential Appliance Retention Program

Program Description:

The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:

Conservation allowances are currently:

- \$350 Gas Storage Tank Water Heating
- \$450 Gas Tankless Water Heating
- \$350 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Activity and Projections:

For the twelve-month period January 2007 through December 2007, we estimated that 7 natural gas appliances would qualify for this program. The Company recorded 11 residential appliance retention allowance payments in 2007.

Program Fiscal Expenditures:

For this twelve-month period, IGC incurred program costs of \$5,921. Of this amount, incentive payments were \$1,100.

Program Summary:

Since inception, 11 natural gas appliances have been retained through this program. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.

Schedule CT-6  
Page 4 of 4

**Indiantown Gas Company, Inc.  
Program Description and Progress**

Program Title:

Conservation Education Program

Program Description:

The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Activity and Projections:

The Company initiated its conservation programs following Commission approval in June 2007. The Company committed to participation in the Get Gas Florida consumer education program (a statewide advertising and web based information service). The Company communicated with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage (estimated at 75% of the Company's approximately 600 customers) visit its office location in Indiantown to pay monthly bills. The Company's office staff has personally described the programs and allowance amounts to these customers. In addition, signage in the office has provided program information. The company plans to expand the education program further in 2008.

Program Fiscal Expenditures:

Program costs totaled \$0 for this twelve-month period. However, invoices for some of these activities are still pending.

Exhibit \_\_\_\_\_ (MMP-1) 2

Indiantown Gas Company, Inc.

Docket No. 080004-GU

Energy Conservation Schedules and Program Descriptions

September 2008

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 08000464 EXHIBIT 10

COMPANY Indiantown Gas Co. (Direct)

WITNESS Melissa M. Powers (MMP-2)

DATE 11-04-08

Document #09734-08 - is attached  
to verify changes to MMP-2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-FPSC  
08 OCT 14 AM 10:14  
COMMISSION  
CLERK

In re: Natural gas conservation cost recovery.

DOCKET NO. 080004-GU

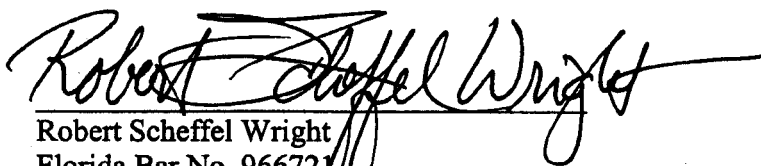
FILED: OCTOBER 14, 2008

INDIANTOWN GAS COMPANY'S ERRATA SHEET  
TO THE TESTIMONY OF MELISSA M. POWERS

Indiantown Gas Company hereby provides this Errata Sheet correcting several references to exhibits in the direct testimony and exhibits of Melissa M. Powers filed herein on September 12, 2008. The corrections are needed to clarify references to Ms. Powers' exhibits, which were inadvertently numbered MMP-1 in both her True-Up testimony filed on May 1 and in her Projection testimony filed on September 12. The corrections reflect re-numbering the exhibits filed with her Projection testimony on September 12 to be Exhibit MMP-2, such that all references in the September 12 Projection testimony, and in the Exhibits filed with that testimony, should refer to Exhibit MMP-2, not MMP-1. The undersigned apologizes for any inconvenience caused by this inadvertent error.

<u>Testimony Page &amp; Line No.</u>	<u>Correction</u>
Page 2, line 14	Change "MMP-1" to "MMP-2"
Page 3, line 17	Change "MMP-1" to "MMP-2"
Exhibit Cover Page	Change "MMP-1" to "MMP-2"
Pages 1 through 12 of the Exhibits to Ms. Powers' September 12	In the header on each page, change "MMP-1" to "MMP-2"

Dated this 14th day of October, 2008.



Robert Scheffel Wright  
Florida Bar No. 966721  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, Florida 32301  
(850) 222-7206 Telephone  
(850) 561-6834 Facsimile

Attorneys for Indiantown Gas Company

COM \_\_\_\_\_  
 ECR \_\_\_\_\_  
 GCL 2 \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RCP \_\_\_\_\_  
 SSC \_\_\_\_\_  
 SGA \_\_\_\_\_  
 ADM \_\_\_\_\_  
 CLK \_\_\_\_\_

DOCUMENT NUMBER-DATE

09734 OCT 14 8

FPSC-COMMISSION CLERK



ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	28,988
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-21,610
3. TOTAL (LINE 1 AND LINE 2)	7,378

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER & DEMAND CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
TS-1	8,760	150,000	\$78,840	\$56,745	\$135,585	\$1,998	1.47353%	0.01332	1.00503	0.01339
TS-2	300	75,000	\$7,500	\$4,320	\$11,820	\$174	1.47353%	0.00232	1.00503	0.00233
TS-3	0	0	\$0	\$0	\$0	\$0			1.00503	0.00000
TS-4	24	6,000,000	\$118,668	\$234,600	\$353,268	\$5,206	1.47353%	0.00087	1.00503	0.00087
<b>TOTAL</b>	9,084	6,225,000	\$205,008	\$295,665	\$500,673	\$7,378				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	NOV 2009	DEC 2009	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	258	258	258	708	708	1,208	708	708	258	758	258	258	6,346
2 RESIDENTIAL APPL. REPLACEMENT	358	783	358	783	358	1,283	358	783	358	1,283	358	783	7,846
3 RESIDENTIAL APPL. RETENTION	808	808	808	808	808	1,308	808	808	808	1,308	258	258	9,596
4 CONSERVATION EDUC	2,000	0	0	0	2,000	0	0	0	0	1,200	0	0	5,200
5 COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<u>3,424</u>	<u>1,849</u>	<u>1,424</u>	<u>2,299</u>	<u>3,874</u>	<u>3,799</u>	<u>1,874</u>	<u>2,299</u>	<u>1,424</u>	<u>4,549</u>	<u>874</u>	<u>1,299</u>	<u>28,988</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2009 THROUGH DECEMBER 2009

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>ALLOWANCES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	3,096	0	0	2,250	1,000	0	0	6,346
2 RESIDENTIAL APPL. REPLACEMENT	0	3,096	0	0	3,750	1,000	0	0	7,846
3 RESIDENTIAL APPL. RETENTION	0	3,096	0	0	5,500	1,000	0	0	9,596
4 CONSERVATION EDUC	0	0	0	4,200	0	1,000	0	0	5,200
5 (INSERT NAME)	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>9,288</u>	<u>0</u>	<u>4,200</u>	<u>11,500</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>28,988</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
<b>1 RESIDENTIAL NEW CONSTRUCTION</b>									
A. ACTUAL	0	2,064	0	0	0	0	0	0	2,064
B. ESTIMATED	0	1,032	0	0	450	1,000	0	0	2,482
TOTAL	0	3,096	0	0	450	1,000	0	0	4,546
<b>2 RESIDENTIAL APPL. REPLACEMENT</b>									
A. ACTUAL	0	2,064	0	0	0	0	0	0	2,064
B. ESTIMATED	0	1,032	0	0	625	1,000	0	0	2,657
TOTAL	0	3,096	0	0	625	1,000	0	0	4,721
<b>3 RESIDENTIAL APPL. RETENTION</b>									
A. ACTUAL	0	2,064	0	0	1,600	0	0	0	3,664
B. ESTIMATED	0	1,032	0	0	2,100	1,000	0	0	4,132
TOTAL	0	3,096	0	0	3,700	1,000	0	0	7,796
<b>4 CONSERVATION EDUC</b>									
A. ACTUAL	0	0	0	0	0	1,050	0	0	1,050
B. ESTIMATED	0	0	0	1,200	0	0	0	0	1,200
	0	0	0	1,200	0	1,050	0	0	2,250
<b>5 COMMON COSTS</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
<b>6 (INSERT NAME)</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	9,288	0	1,200	4,775	4,050	0	0	19,313

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	9,288	0	1,200	4,775	4,050	0	0	19,313
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>9,288</b>	<b>0</b>	<b>1,200</b>	<b>4,775</b>	<b>4,050</b>	<b>0</b>	<b>0</b>	<b>19,313</b>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
RESIDENTIAL NEW CONSTRUCTION	258	258	258	258	258	258	258	258	258	1,258	708	258	4,546
RESIDENTIAL APPL. REPLACEMENT	258	258	258	258	258	258	258	258	258	1,358	783	258	4,721
RESIDENTIAL APPL. RETENTION	358	758	258	258	458	258	658	658	258	1,808	1,258	808	7,796
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	1,050	0	0	0	0	0	0	1,200	0	2,250
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	874	1,274	774	1,824	974	774	1,174	1,174	774	4,424	3,949	1,324	19,313

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2008 THROUGH DECEMBER 2008

CONSERVATION REVS.	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REV.	(4,529)	(4,028)	(5,206)	(6,349)	(4,089)	(3,280)	(2,151)	(2,130)	(1,958)	(1,790)	(2,743)	(3,674)	(41,926)
4. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL REVENUES	(4,529)	(4,028)	(5,206)	(6,349)	(4,089)	(3,280)	(2,151)	(2,130)	(1,958)	(1,790)	(2,743)	(3,674)	(41,926)
6. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7. CONSERVATION REVS. APPLIC. TO PERIOD	(4,529)	(4,028)	(5,206)	(6,349)	(4,089)	(3,280)	(2,151)	(2,130)	(1,958)	(1,790)	(2,743)	(3,674)	(41,926)
8. CONSERVATION EXPS. (FORM C-3, PAGE 3)	874	1,274	774	1,824	974	774	1,174	1,174	774	4,424	3,949	1,324	19,313
9. TRUE-UP THIS PERIOD	(3,655)	(2,754)	(4,432)	(4,525)	(3,115)	(2,506)	(977)	(956)	(1,184)	2,634	1,206	(2,350)	(22,613)
10. INTEREST THIS PERIOD (C-3,PAGE 5)	(6)	(9)	(17)	(27)	(34)	(37)	(41)	(43)	(46)	(44)	(40)	(42)	(388)
11. TRUE-UP & INT. BEG. OF MONTH	1,390	(2,271)	(5,034)	(9,483)	(14,034)	(17,183)	(19,727)	(20,744)	(21,744)	(22,974)	(20,384)	(19,218)	1,390
12. PRIOR TRUE-UP COLLECT./(REFUND.)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. END OF PERIOD TOTAL NET TRUE-UP	(2,271)	(5,034)	(9,483)	(14,034)	(17,183)	(19,727)	(20,744)	(21,744)	(22,974)	(20,384)	(19,218)	(21,610)	(21,610)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	(1390.00)	(2270.93)	(5033.83)	(9483.15)	(14034.45)	(17183.45)	(19726.61)	(20744.41)	(21744.13)	(22973.88)	(20384.09)	(19218.48)	
END. T-UP BEFORE INT.	(2264.79)	(5024.46)	(9465.87)	(14007.68)	(17149.21)	(19689.13)	(20703.22)	(21700.88)	(22928.28)	(20339.88)	(19178.09)	(21568.80)	
TOT. BEG. & END. T-UP	(3654.79)	(7295.38)	(14499.70)	(23490.83)	(31183.66)	(36872.57)	(40429.83)	(42445.29)	(44672.40)	(43313.76)	(39562.19)	(40787.28)	
AVERAGE TRUE-UP	(1827.40)	(3647.69)	(7249.85)	(11745.41)	(15591.83)	(18436.29)	(20214.92)	(21222.65)	(22336.20)	(21656.88)	(19781.09)	(20393.64)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	4.90%	4.90%	4.90%	4.90%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	(\$6)	(\$9)	(\$17)	(\$27)	(\$34)	(\$37)	(\$41)	(\$43)	(\$46)	(\$44)	(\$40)	(\$42)	(\$388)



**Schedule C-5**  
Page 1 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

Program Title:  
Residential New Construction Program

Reporting Period  
January 2008 through August 2008

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any homebuilder or developer who installs the below-listed energy efficient appliances.

Current Approved Allowances:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
During the eight-month reporting period January 2008 through August 2008, zero (0) new home allowances were paid. The Company projects one (1) new home will qualify for allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program totaled \$2,064. The Company projects that total expenditures will equal \$4,546 for the 2008 annual period.

**Schedule C-5**  
Page 2 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

Program Title:  
Residential Appliance Replacement Program

Reporting Period  
January 2008 through August 2008

Program Description:  
This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Current Approved Allowances:

\$525	Gas Storage Tank Water Heating
\$525	Gas Tankless Water Heating
\$625	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Projections:  
During the eight-month reporting period January 2008 through August 2008, zero (0) residential appliance replacement allowances were paid. The Company projects two (2) residential appliance installations will qualify for replacement allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$2,064. The Company projects that total expenditures will equal \$4,721 for the 2008 annual period.

**Schedule C-5**  
Page 3 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

Program Title:  
Residential Appliance Retention Program

Reporting Period  
January 2008 through August 2008

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
During the eight-month reporting period January 2008 through August 2008, twelve (12) residential appliance retention allowances were paid. The Company projects eleven (11) residential appliance installations will qualify for retention allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$3,664. The Company projects that total expenditures will equal \$7,796 for the 2008 annual period.

**Schedule C-5**  
Page 4 of 4

**Indiantown Gas Company, Inc.**  
**Program Description and Progress**

Program Title:  
Conservation Education Program

Reporting Period  
January 2008 through August 2008

Program Description:  
The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Activity and Projections:  
The Company initiated its conservation programs following Commission approval in June 2007. The Company communicated with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage (estimated at 75% of the Company's approximately 720 customers) visits its office location in Indiantown to pay monthly bills. The Company's office staff has personally described the programs and allowance amounts to these customers. In addition, signage in the office has provided program and allowance information. The Company has committed to participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association and will incur its first annual expense of approximately \$1,200 in November 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$1,050. The Company projects that total expenditures will equal \$2,250 for the 2008 annual period.

ADJUSTED NET TRUE-UP  
 JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPAL	-5,708,589	
INTEREST	<u>-204,224</u>	-5,912,813

LESS PROJECTED TRUE-UP

PRINCIPAL	-6,254,203	
INTEREST	<u>-220,620</u>	<u>-6,474,823</u>

ADJUSTED NET TRUE-UP 562,010

( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION  
 DOCKET NO. 080004-GU EXHIBIT 11  
 COMPANY Peoples Gas System (Direct)  
 WITNESS Kandi M. Floyd (KMF-1)  
 DATE 11-04-08

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
 ACTUAL VERSUS ESTIMATED  
 JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	435,318	433,575	1,743
MATERIALS & SUPPLIES	2,933	8,440	-5,507
ADVERTISING	948,525	903,145	45,380
INCENTIVES	5,972,818	6,425,507	-452,689
OUTSIDE SERVICES	7,541	8,228	-687
VEHICLES	0	0	0
OTHER	0	0	0
SUB-TOTAL	7,367,135	7,778,895	-411,760
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	7,367,135	7,778,895	-411,760
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-13,075,724	0	-13,075,724
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	-5,708,589	7,778,895	-13,487,484
INTEREST PROVISION	-204,224	0	-204,224
END OF PERIOD TRUE-UP	-5,912,813	7,778,895	-13,691,708

() REFLECTS OVER-RECOVERY  
 \*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2007 THROUGH DECEMBER 2007

<u>PROGRAM NAME</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVE</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	0	0	3,940,915	0	0	0	3,940,915
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0
PROGRAM 3: RES APPLIANCE RETENTION	0	0	0	1,449,053	0	0	0	1,449,053
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	62,335	0	0	0	62,335
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	519,215	0	0	0	519,215
PROGRAM 6: COMMON COSTS	435,318	2,933	948,525	0	7,541	0	0	1,394,317
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	300	0	0	0	300
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ESP	0	0	0	1,000	0	0	0	1,000
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>435,318</b>	<b>2,933</b>	<b>948,525</b>	<b>5,972,818</b>	<b>7,541</b>	<b>0</b>	<b>0</b>	<b>7,367,135</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
 JANUARY 2007 THROUGH DECEMBER 2007

<u>PROGRAM NAME</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVE</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	0	0	-531,815	0	0	0	-531,815
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	-300	0	0	0	-300
PROGRAM 3: RES APPLIANCE RETENTION	0	0	0	52,474	0	0	0	52,474
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	17,705	0	0	0	17,705
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	13,647	0	0	0	13,647
PROGRAM 6: COMMON COSTS	1,743	-5,507	45,380	0	-687	0	0	40,929
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	-400	0	0	0	-400
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	-4,000	0	0	0	-4,000
PROGRAM 9: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ESP	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,743</b>	<b>-5,507</b>	<b>45,380</b>	<b>-452,689</b>	<b>-687</b>	<b>0</b>	<b>0</b>	<b>-411,760</b>

( ) REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES



ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
 JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEPT 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
PROGRAM 1:	349,340	530,475	358,570	412,695	329,325	418,885	323,055	259,475	391,235	238,360	184,550	144,950	3,940,915
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	119,505	139,427	101,498	109,593	105,905	129,794	130,088	95,242	132,259	138,502	121,470	125,770	1,449,053
PROGRAM 4:	6,960	6,160	1,810	3,860	7,640	3,320	4,480	0	14,360	2,760	6,840	4,145	62,335
PROGRAM 5:	42,155	49,180	28,570	48,380	30,240	43,945	46,225	48,350	45,100	47,215	38,800	51,055	519,215
PROGRAM 6:	42,113	54,571	92,819	84,615	102,396	82,081	108,813	105,756	195,060	109,946	101,383	314,763	1,394,317
PROGRAM 7:	0	0	0	0	0	0	0	300	0	0	0	0	300
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	550	450	0	0	0	0	0	0	0	0	0	0	1,000
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	560,623	780,263	583,267	659,143	575,506	678,025	612,661	509,123	778,014	536,783	453,043	640,683	7,367,135
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	560,623	780,263	583,267	659,143	575,506	678,025	612,661	509,123	778,014	536,783	453,043	640,683	7,367,135

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	<u>-1,303,912</u>	<u>-1,371,652</u>	<u>-1,371,221</u>	<u>-1,170,527</u>	<u>-973,395</u>	<u>-862,852</u>	<u>-801,145</u>	<u>-729,324</u>	<u>-727,551</u>	<u>-759,867</u>	<u>-846,194</u>	<u>-1,097,928</u>	<u>-12,015,566</u>
4. TOTAL REVENUES	-1,303,912	-1,371,652	-1,371,221	-1,170,527	-973,395	-862,852	-801,145	-729,324	-727,551	-759,867	-846,194	-1,097,928	-12,015,566
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-88,347</u>	<u>-1,060,158</u>
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-1,392,258</u>	<u>-1,459,999</u>	<u>-1,459,567</u>	<u>-1,258,873</u>	<u>-1,061,742</u>	<u>-951,198</u>	<u>-889,491</u>	<u>-817,670</u>	<u>-815,897</u>	<u>-848,213</u>	<u>-934,541</u>	<u>-1,186,274</u>	<u>-13,075,724</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	560,623	780,263	583,267	659,143	575,506	678,025	612,661	509,123	778,014	536,783	453,043	640,683	7,367,135
8. TRUE-UP THIS PERIOD	-831,635	-679,736	-876,300	-599,730	-486,236	-273,173	-276,830	-308,547	-37,884	-311,430	-481,497	-545,591	-5,708,589
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-6,282	-9,229	-12,292	-15,194	-17,253	-18,641	-19,506	-21,149	-21,251	-19,896	-20,579	-22,952	-204,224
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-1,060,158	-1,809,729	-2,410,346	-3,210,592	-3,737,170	-4,152,312	-4,355,780	-4,563,770	-4,805,120	-4,775,908	-5,018,887	-5,432,617	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	<u>88,347</u>	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>-1,809,729</u>	<u>-2,410,346</u>	<u>-3,210,592</u>	<u>-3,737,170</u>	<u>-4,152,312</u>	<u>-4,355,780</u>	<u>-4,563,770</u>	<u>-4,805,120</u>	<u>-4,775,908</u>	<u>-5,018,887</u>	<u>-5,432,617</u>	<u>-5,912,813</u>	<u>-5,912,813</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 JANUARY 2007 THROUGH DECEMBER 2007

	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEPT 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	-1,060,158	-1,809,729	-2,410,346	-3,210,592	-3,737,170	-4,152,312	-4,355,780	-4,563,770	-4,805,120	-4,775,908	-5,018,887	-5,432,617	
2. ENDING TRUE-UP BEFORE INTEREST	-1,803,446	-2,401,118	-3,198,300	-3,721,976	-4,135,059	-4,337,139	-4,544,264	-4,783,971	-4,754,657	-4,998,991	-5,412,038	-5,889,862	
3. TOTAL BEGINNING & ENDING TRUE-UP	-2,863,604	-4,210,846	-5,608,646	-6,932,568	-7,872,229	-8,489,451	-8,900,045	-9,347,741	-9,559,777	-9,774,899	-10,430,924	-11,322,479	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-1,431,802	-2,105,423	-2,804,323	-3,466,284	-3,936,114	-4,244,726	-4,450,022	-4,673,870	-4,779,889	-4,887,449	-5,215,462	-5,661,239	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.270%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	4.980%	
7. TOTAL (SUM LINES 5 & 6)	10.530%	10.520%	10.520%	10.520%	10.520%	10.540%	10.520%	10.860%	10.670%	9.770%	9.470%	9.730%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%	
9. MONTHLY AVG INTEREST RATE	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-6,282	-9,229	-12,292	-15,194	-17,253	-18,641	-19,506	-21,149	-21,251	-19,896	-20,579	-22,952	-204,224

**Program Progress Report**

Reporting Period: JANUARY 2007 THROUGH DECEMBER 2007

Name: RESIDENTIAL HOME BUILDER

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:	Water Heater .....	\$350
	Tankless Water Heater .....	\$450
	Furnace .....	\$350
	Range .....	\$100
	Dryer .....	\$100

Program Summary

New Home Goal:	4,970
New Homes Connected:	<u>4,379</u>
Variance:	591
Percent of Goal:	88.1%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$4,472,730
Actual Cost:	\$3,940,915
Variance:	\$531,815

**Program Progress Report**

**Reporting Period:** JANUARY 2007 THROUGH DECEMBER 2007

**Name:** OIL HEAT REPLACEMENT

**Description:** This program is designed to encourage customers to convert their existing oil burning heating systems to energy efficient natural gas heating so as to discourage those customer from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

**Program Allowance:** Energy Efficient Gas Furnaces \$330

Program Summary

<b>Goals:</b>	1
<b>Actual:</b>	0
<b>Variance:</b>	1
<b>Percent of Goal:</b>	0.0%

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	\$300
<b>Actual Cost:</b>	\$0
<b>Variance:</b>	\$300

**Program Progress Report**

Reporting Period: JANUARY 2007 THROUGH DECEMBER 2007

Name: RESIDENTIAL APPLIANCE RETENTION PROGRAM

Description: This program is designed to encourage current natural gas customers to retain natural gas appliances.  
 The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances:	Water Heater .....	\$350
	Tankless Water Heater .....	\$450
	Furnace .....	\$350
	Range .....	\$100
	Dryer .....	\$100

Program Summary

Goals:	1,552
Actual:	1,610
Variance:	-58
Percent of Goal:	103.8%

**Conservation Cost Variance - Actual Vs. Projected**

Projected Cost:	\$1,396,579
Actual Cost:	\$1,449,053
Variance:	-\$52,474

**Program Progress Report**

Reporting Period: **JANUARY 2007 THROUGH DECEMBER 2007**

Name: **COMM ELECTRIC REPLACEMENT**

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances: For each kW Displaced \$40

**Program Summary**

Goals:	(Projected kW Displaced)	1116
Actual:		1,558
Variance:		-443
Percent of Goal:		139.7%

**Conservation Cost Variance - Actual Vs. Projected**

Projected Cost:	\$44,630
Actual Cost:	\$62,335
Variance:	-\$17,705

**Program Progress Report**

Reporting Period: JANUARY 2007 THROUGH DECEMBER 2007

Name: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Water Heater .....	\$525
Tankless Water Heater .....	\$525
Furnace .....	\$625
Range .....	\$100
Dryer .....	\$100
Space Heating .....	\$65

Program Summary

Goals:	374
Actual:	385
Variance:	-10
Percent of Goal:	102.7%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$505,568
Actual Cost:	\$519,215
Variance:	-\$13,647



Program Progress Report

Reporting Period: JANUARY 2007 THROUGH DECEMBER 2007

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,353,388
Actual Cost:	\$1,394,317
Variance:	-\$40,929

**Program Progress Report**

Reporting Period: JANUARY 2007 THROUGH DECEMBER 2007

Name: GAS SPACE CONDITIONING

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: \$150 / ton

Program Summary

Program Goal:	5
Program Accomplishments:	2
Variance:	3
Percent of Goal:	42.9%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$700
Actual Cost:	\$300
Variance:	\$400

**Program Progress Report**

**Reporting Period:** JANUARY 2007 THROUGH DECEMBER 2007

**Name:** SMALL PACKAGE COGEN

**Description:** This program is designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications.

<b>Program Summary:</b>	kW Deferred	\$150 / kW
	Feasibility Study	\$5,000

**Conservation Cost Variance - Actual vs. Projected**

<b>Projected Cost:</b>	\$4,000
<b>Actual Cost:</b>	\$0
<b>Variance:</b>	\$4,000

**Program Progress Report**

**Reporting Period:** JANUARY 2007 THROUGH DECEMBER 2007

**Name:** MONITORING & RESEARCH

**Description:** The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs.

**Program Summary:** Estimated annual cost: \$80,000

**Conservation Cost Variance - Actual vs. Projected**

<b>Projected Cost:</b>	<b>\$0</b>
<b>Actual Cost:</b>	<b>\$0</b>
<b>Variance:</b>	<b>\$0</b>

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: January 2009 Through December 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	6,969,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-2,921,911
3. TOTAL (LINE 1 AND LINE 2)	4,047,089

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS & RS-SG	3,701,069	73,225,315	37,010,690	27,581,779	64,592,469	1,776,266	2.74996%	0.02426	1.00503	0.02438
SGS & CS-SG	73,248	2,639,117	1,464,960	711,374	2,176,334	59,848	2.74996%	0.02268	1.00503	0.02279
GS-1	238,623	110,150,022	7,158,690	25,384,073	32,542,763	894,913	2.74996%	0.00812	1.00503	0.00817
GS-2	38,496	75,992,091	1,347,360	16,921,159	18,268,519	502,377	2.74996%	0.00661	1.00503	0.00664
GS-3	9,703	73,516,093	436,635	14,359,898	14,796,533	406,899	2.74996%	0.00553	1.00503	0.00556
GS-4	1,476	43,269,635	125,460	7,714,111.00	7,839,571	215,585	2.74996%	0.00498	1.00503	0.00501
GS-5	1,254	65,557,915	188,100	6,582,670	6,770,770	186,193	2.74996%	0.00284	1.00503	0.00285
NGVS	180	430,880	6,300	60,379	66,679	1,834	2.74996%	0.00426	1.00503	0.00428
CSLS	756	899,851	0	115,442	115,442	3,175	2.74996%	0.00353	1.00503	0.00355
TOTAL	4,064,805	445,680,919	47,738,195	99,430,885	147,169,080	4,047,089				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 12

COMPANY Peoples Gas System (Direct)

WITNESS Kandi M. Floyd (KMF-2)

DATE 11-04-08



ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2009 Through December 2009

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	2,000,000	0	0	0	\$2,000,000
2 APPLIANCE RETENTION PROGRAM	0	0	0	0	1,900,000	0	0	0	\$1,900,000
3 RES APPLIANCE REPLACEMENT	0	0	0	0	950,000	0	0	0	\$950,000
4 COM ELECTRIC REPLACEMENT	0	0	0	0	432,000	0	0	0	\$432,000
5 GAS SPACE CONDITIONING	0	0	0	0	50,000	0	0	0	\$50,000
6 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
7 COMMON COSTS	0	500,000	5,000	1,000,000	0	10,000	0	1,000	\$1,516,000
8 MONITORING AND RESEARCH	0	0	0	0	100,000	0	0	0	\$100,000
9 OIL HEAT REPLACEMENT	0	0	0	0	1,000	0	0	0	\$1,000
10 N/A	0	0	0	0	0	0	0	0	\$0
<b>PROGRAM COSTS</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$5,000</b>	<b>\$1,000,000</b>	<b>\$5,453,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$6,969,000</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2008 Through December 2008

8 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL HOME BUILDER									
A. ACTUAL	0	0	0	0	1,193,430	0	0	0	1,193,430
B. ESTIMATED	0	0	0	0	596,715	0	0	0	596,715
C. TOTAL	0	0	0	0	1,790,145	0	0	0	1,790,145
2 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	1,239,409	0	0	0	1,239,409
B. ESTIMATED	0	0	0	0	619,704	0	0	0	619,704
C. TOTAL	0	0	0	0	1,859,113	0	0	0	1,859,113
3 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	344,085	0	0	0	344,085
B. ESTIMATED	0	0	0	0	172,043	0	0	0	172,043
C. TOTAL	0	0	0	0	516,128	0	0	0	516,128
4 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	58,990	0	0	0	58,990
B. ESTIMATED	0	0	0	0	12,000	0	0	0	12,000
C. TOTAL	0	0	0	0	70,990	0	0	0	70,990
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	13,500	0	0	0	13,500
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	13,800	0	0	0	13,800
6 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	3,000	0	0	0	3,000
C. TOTAL	0	0	0	0	3,000	0	0	0	3,000
SUB-TOTAL	0	0	0	0	4,253,176	0	0	0	4,253,176



ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2008 Through December 2008  
8 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	4,253,176	0	0	0	4,253,176
<b>7. COMMON COSTS</b>									
A. ACTUAL	0	313,149	669	554,504	0	1,398	0	0	869,720
B. ESTIMATED	0	156,576	500	386,000	0	2,000	0	0	545,076
C. TOTAL	0	469,725	1,169	940,504	0	3,398	0	0	1,414,796
<b>8. MONITORING AND RESEARCH</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>9. OIL REPLACEMENT</b>									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	630	0	0	0	630
<b>10. N/A</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>11. N/A</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>469,725</b>	<b>1,169</b>	<b>940,504</b>	<b>4,253,806</b>	<b>3,398</b>	<b>0</b>	<b>0</b>	<b>5,668,602</b>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
January 2008 Through December 2008  
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL HOME BUILDER	259,360	187,110	131,650	140,870	126,100	119,650	153,490	75,200	149,179	149,179	149,179	149,179	\$1,790,145
WATER HEATER RETENTION	186,656	139,924	177,055	130,556	149,711	132,028	170,152	153,327	154,926	154,926	154,926	154,926	\$1,859,113
RES ELECTRIC REPLACEMENT	50,655	43,955	37,255	48,900	42,180	29,375	49,340	42,425	43,011	43,011	43,011	43,011	\$516,128
COM ELECTRIC REPLACEMENT	480	36,840	11,280	4,950	2,920	0	720	1,800	3,000	3,000	3,000	3,000	\$70,990
GAS SPACE CONDITIONING	13,500	0	0	0	0	0	0	0	0	100	100	100	\$13,800
SMALL PKG COGEN	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	\$3,000
COMMON COSTS	86,921	89,375	115,647	100,776	120,280	75,796	177,246	103,677	136,269	136,269	136,269	136,269	\$1,414,796
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL REPLACEMENT	0	0	0	0	0	0	330	0	75	75	75	75	\$630
N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL ALL PROGRAMS</b>	<b>\$597,572</b>	<b>\$497,204</b>	<b>\$472,888</b>	<b>\$426,052</b>	<b>\$441,191</b>	<b>\$356,849</b>	<b>\$551,278</b>	<b>\$376,429</b>	<b>\$486,459</b>	<b>\$487,559</b>	<b>\$487,559</b>	<b>\$487,559</b>	<b>\$5,668,602</b>

ENERGY CONSERVATION ADJUSTMENT  
January 2008 Through December 2008

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	-272,201	-274,033	-249,876	-230,700	-195,767	-164,523	-157,580	-151,572	-212,032	-212,032	-212,032	-212,032	-2,544,378
b. CONSERV. ADJ. REV.	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)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-272,201	-274,033	-249,876	-230,700	-195,767	-164,523	-157,580	-151,572	-212,032	-212,032	-212,032	-212,032	-2,544,378
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-493,550	-5,922,595
CONSERVATION REVS. APPLIC. TO PERIOD	-765,750	-767,583	-743,426	-724,250	-689,317	-658,073	-651,129	-645,122	-705,581	-705,581	-705,581	-705,581	-8,466,973
CONSERVATION EXPS. (FORM C-3, PAGE 3)	597,572	497,204	472,888	426,052	441,191	356,849	551,278	376,429	486,459	487,559	487,559	487,559	5,668,602
TRUE-UP THIS PERIOD	-168,178	-270,378	-270,538	-298,197	-248,125	-301,224	-99,852	-268,693	-219,122	-218,022	-218,022	-218,022	-2,798,372
INTEREST THIS PERIOD (C-3,PAGE 5)	-19,344	-14,152	-12,622	-11,623	-10,739	-9,521	-8,963	-8,351	-7,876	-7,330	-6,783	-6,234	-123,539
TRUE-UP & INT. BEG. OF MONTH	-5,922,595	-5,616,567	-5,407,548	-5,197,159	-5,013,429	-4,778,744	-4,595,939	-4,211,205	-3,994,699	-3,728,147	-3,459,950	-3,191,204	-2,921,911
PRIOR TRUE-UP COLLECT./(REFUND.)	493,550	493,550	493,550	493,550	493,550	493,550	493,550	493,550	493,550	493,550	493,550	493,550	5,922,595
END OF PERIOD TOTAL NET TRUE-UP	-5,616,567	-5,407,548	-5,197,159	-5,013,429	-4,778,744	-4,595,939	-4,211,205	-3,994,699	-3,728,147	-3,459,950	-3,191,204	-2,921,911	-2,921,911

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
January 2008 Through December 2008

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	-5,922,595	-5,616,567	-5,407,548	-5,197,159	-5,013,429	-4,778,744	-4,595,939	-4,211,205	-3,994,699	-3,728,147	-3,459,950	-3,191,204	-2,921,911
END. T-UP BEFORE INT.	-5,597,223	-5,393,396	-5,184,537	-5,001,806	-4,768,005	-4,586,418	-4,202,242	-3,986,348	-3,720,271	-3,452,619	-3,184,422	-2,915,677	202,312
TOT. BEG. & END. T-UP	-11,519,818	-11,009,963	-10,592,085	-10,198,965	-9,781,434	-9,365,162	-8,798,181	-8,197,553	-7,714,971	-7,180,766	-6,644,371	-6,106,881	-2,719,598
AVERAGE TRUE-UP	-5,759,909	-5,504,981	-5,296,042	-5,099,483	-4,890,717	-4,682,581	-4,399,090	-4,098,776	-3,857,485	-3,590,383	-3,322,186	-3,053,440	-1,359,799
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.9800%	3.0800%	3.0900%	2.6300%	2.8400%	2.4300%	2.4500%	2.4400%	2.4500%	2.4500%	2.4500%	2.4500%	2.4500%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.0800%	3.0900%	2.6300%	2.8400%	2.4300%	2.4500%	2.4400%	2.4500%	2.4500%	2.4500%	2.4500%	2.4500%	2.4500%
TOTAL	8.0600%	6.1700%	5.7200%	5.4700%	5.2700%	4.8800%	4.8900%	4.8900%	4.9000%	4.9000%	4.9000%	4.9000%	4.9000%
AVG INTEREST RATE	4.0300%	3.0850%	2.8600%	2.7350%	2.6350%	2.4400%	2.4450%	2.4450%	2.4500%	2.4500%	2.4500%	2.4500%	2.4500%
MONTHLY AVG. RATE	0.3358%	0.2571%	0.2383%	0.2279%	0.2196%	0.2033%	0.2038%	0.2038%	0.2042%	0.2042%	0.2042%	0.2042%	0.2042%
INTEREST PROVISION	-\$19,344	-\$14,152	-\$12,622	-\$11,623	-\$10,739	-\$9,521	-\$8,963	-\$8,351	-\$7,876	-\$7,330	-\$6,783	-\$6,234	-\$123,539

### Peoples Gas System

**Reporting:** January 2008 Through December 2008

**Name:** RESIDENTIAL HOME BUILDER

**Description:** This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

<b>Program Allowances:</b>	Gas Water Heater .....	\$350.00
	Gas Heating .....	\$350.00
	Gas Tankless Water Heater .....	\$450.00
	Gas Cooking .....	\$100.00
	Gas Dryer .....	\$100.00

<b>Program Goals:</b> Projected new home connections for this period:	<b>8,137</b>
Actual connections to date this period:	<b>5,425</b>
Percent of goal: 8 Months of Actuals	<b>66.7%</b>

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$1,790,145</b>
	Actual to date:	<b>\$1,193,430</b>

**Peoples Gas System**

**Reporting:** January 2008 Through December 2008

**Name:** WATER HEATER RETENTION

**Description:** This Program is designed to discourage current natural gas costumers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

<b>Program Allowances:</b>	Gas Water Heater .....	\$350.00
	Gas Heating .....	\$350.00
	Gas Tankless Water Heater .....	\$450.00
	Gas Cooking .....	\$100.00
	Gas Dryer .....	\$100.00

<b>Program Goals:</b>	Projected connections for this period:	6,260
	Actual connections to date this period:	12,394
	Percent of goal: 8 Months of Actuals	198.0%

<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$1,859,113
	Actual to date:	\$1,239,409

**Peoples Gas System**

**Reporting:** January 2008 Through December 2008

**Name:** RES ELECTRIC REPLACEMENT

**Description** This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

<b>Program Allowances:</b>	Natural Gas Water Heater . . . . .	\$525.00
	Natural Gas Heating . . . . .	\$625.00
	Natural Gas Tankless Water Heater . .	\$525.00
	Natural Gas Range . . . . .	\$100.00
	Natural Gas Dryer . . . . .	\$100.00
	Natural Gas Space Heater . . . . .	\$65.00
	Actual connections to date this period:	1,117
	Percent of goal:	1718.7%
	8 Months of Actuals	
<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$516,128
	Actual to date:	\$344,085

**Peoples Gas System**

**Reporting:** January 2008 Through December 2008

**Name:** COM ELECTRIC REPLACEMENT

**Description:** This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

<b>Program Allowances:</b>	For every kW Displaced . . . . .	\$40.00
	kW Displaced this period	<b>1,475</b>

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$70,990</b>
	Actual to date:	<b>\$58,990</b>



**Peoples Gas System**

**Reporting:** January 2008 Through December 2008

**Name:** GAS SPACE CONDITIONING

**Description:** This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

**Program Allowance:** Each customer allowed 100 tons maximum paid allowance / installation at: \$150.00 per ton

8 Months of Actuals

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$13,800</b>
	Actual to date:	<b>\$13,500</b>

### Peoples Gas System

**Reporting:** January 2008 Through December 2008

**Name:** SMALL PKG COGEN

**Description:** This Program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

<b>Program Goals:</b>	Projected tons for this period:	<b>20</b>
	Actual connections to date this period:	<b>0</b>
	Percent of goal: 8 Months of Actuals	<b>0.0%</b>
<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$3,000</b>
	Actual to date:	<b>\$0</b>

**Peoples Gas System**

**Reporting:** January 2008 Through December 2008

**Name:** COMMON COSTS

**Program Fiscal Expenditures:**

Estimated for period: **\$1,414,796**

Actual to date: **\$869,720**

Percent of goal: **61.5%**

8 Months of Actuals

### Peoples Gas System

Reporting: January 2008 Through December 2008

Name: OIL HEAT REPLACEMENT

Description: This Program is designed to encourage customers to convert their existing Oil Heating system to more energy efficient natural gas heating. Peoples' offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

Program Allowance: Energy Efficient Gas Furnaces . . . . . \$330.00

Program Goal Projected new connections for this period: 2

Actual connections to date this period: 1

Percent of goal: 47.6%  
8 Months of Actuals

Program Fiscal Expenditures: Estimated for period: \$630

Actual to date: \$300

ADJUSTED NET TRUE-UP  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	62,488	
INTEREST	<u>716</u>	63,204

LESS PROJECTED TRUE-UP

PRINCIPLE	38,885	
INTEREST	<u>613</u>	<u>39,497</u>

ADJUSTED NET TRUE-UP		<u><u>23,707</u></u>
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( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 13  
 COMPANY People Gas System (Direct)  
 WITNESS Debbie Sitt (DKS-1)  
 DATE 11-04-08

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	746	0	746
INCENTIVES	62,925	49,895	13,030
OUTSIDE SERVICES	9,500	0	9,500
VEHICLES	0	0	0
OTHER	0	0	0
SUB-TOTAL	<u>73,171</u>	<u>49,895</u>	<u>23,277</u>
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	73,171	49,895	23,277
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT REVENUES	(10,683)	(11,011)	328
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	62,488	38,884	23,604
INTEREST PROVISION	<u>716</u>	<u>613</u>	<u>103</u>
END OF PERIOD TRUE-UP	<u><u>63,204</u></u>	<u><u>39,497</u></u>	<u><u>23,707</u></u>

( ) REFLECTS OVER-RECOVERY

\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
 FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	7,900	0	0	0	7,900
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEM	0	0	0	0	9,075	0	0	0	9,075
PROGRAM 3: OUTSIDE SERVICES	0	0	0	0	0	9,500	0	0	9,500
PROGRAM 4: RESIDENTIAL APPLIANCE RETENTIO	0	0	0	0	45,950	0	0	0	45,950
PROGRAM 5: CONSUMER EDUCATION	0	0	0	746	0	0	0	0	746
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>746</b>	<b>62,925</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>73,171</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	(448)	0	0	0	(448)
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEN	0	0	0	0	3,402	0	0	0	3,402
PROGRAM 3: OUTSIDE SERVICES	0	0	0	0	(35,873)	9,500	0	0	(26,373)
PROGRAM 4: RESIDENTIAL APPLIANCE RETENTIOI	0	0	0	0	45,950	0	0	0	45,950
PROGRAM 5: CONSUMER EDUCATION	0	0	0	746	0	0	0	0	746
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	746	13,030	9,500	0	0	23,277

( ) REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES



ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
PROGRAM 1:	175	350	175	350	525	175	1,350	350	650	1,600	1,100	1,100	7,900
PROGRAM 2:	450	225	225	225	0	1,050	0	0	1,575	1,250	1,775	2,300	9,075
PROGRAM 3:	0	0	5,000	0	0	4,500	0	0	0	0	0	0	9,500
PROGRAM 4:	0	0	0	0	0	0	6,075	6,300	9,325	5,850	7,850	10,550	45,950
PROGRAM 5:	0	0	0	0	0	0	249	249	249	0	0	0	746
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	625	575	5,400	575	525	5,725	7,674	6,899	11,799	8,700	10,725	13,950	73,171
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	625	575	5,400	575	525	5,725	7,674	6,899	11,799	8,700	10,725	13,950	73,171

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(727)	(1,062)	(878)	(659)	(379)	(362)	(276)	(324)	(252)	(259)	(368)	(722)	(6,267)
4. TOTAL REVENUES	(727)	(1,062)	(878)	(659)	(379)	(362)	(276)	(324)	(252)	(259)	(368)	(722)	(6,267)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(368)	(4,416)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(1,095)	(1,430)	(1,246)	(1,027)	(747)	(730)	(644)	(692)	(620)	(627)	(736)	(1,090)	(10,683)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	625	575	5,400	575	525	5,725	7,674	6,899	11,799	8,700	10,725	13,950	73,171
8. TRUE-UP THIS PERIOD	(470)	(855)	4,154	(452)	(222)	4,995	7,030	6,206	11,179	8,073	9,989	12,860	62,488
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(20)	(21)	(12)	(3)	(2)	10	38	71	110	142	175	228	716
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(4,416)	(4,537)	(5,045)	(535)	(622)	(478)	4,895	12,330	18,975	30,632	39,215	49,748	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	368	368	368	368	368	368	368	368	368	368	368	368	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(4,537)	(5,045)	(535)	(622)	(478)	4,895	12,330	18,975	30,632	39,215	49,748	63,204	63,204

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	(4,416)	(4,537)	(5,045)	(535)	(622)	(478)	4,895	12,330	18,975	30,632	39,215	49,748	
2. ENDING TRUE-UP BEFORE INTEREST	(4,518)	(5,024)	(523)	(619)	(475)	4,885	12,293	18,904	30,522	39,073	49,572	62,976	
3. TOTAL BEGINNING & ENDING TRUE-UP	(8,934)	(9,561)	(5,568)	(1,154)	(1,097)	4,408	17,187	31,235	49,497	69,706	88,788	112,723	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(4,467)	(4,780)	(2,784)	(577)	(548)	2,204	8,594	15,617	24,749	34,853	44,394	56,362	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.270%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	4.980%	
7. TOTAL (SUM LINES 5 & 6)	10.530%	10.520%	10.520%	10.520%	10.520%	10.540%	10.520%	10.860%	10.670%	9.770%	9.470%	9.730%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%	
9. MONTHLY AVG INTEREST RATE	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(20)	(21)	(12)	(3)	(2)	10	38	71	110	142	175	228	716



ST JOE NATURAL GAS COMPANY, INC  
 CONSERVATION PROGRAM DESCRIPTION AND PROGRESS FOR MONTHS:  
 JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM TITLE: RESIDENTIAL NEW CONSTRUCTION

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO INCREASE THE NUMBER OF HIGH PRIORITY FIRM NATURAL GAS CUSTOMERS IN THE NEW CONSTRUCTION MARKET. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST BUILDERS IN DEFRAYING THE ADDITIONAL COSTS ASSOCIATED WITH NATURAL GAS INSTALLATIONS.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS WATER HEATING	\$350.00
GAS HEATING	\$350.00
GAS AIR CONDITIONING	\$1,400.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$450.00
	<u>\$2,750.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>		
PLANNED WATER HEATERS:		29
PLANNED HEATING SYSTEMS:		11
PLANNED AIR CONDITIONING:		0
PLANNED CLOTHES DRYERS		0
PLANNED GAS RANGE		0
PLANNED GAS TANKLESS W/HEAT		0

PROGRAM FISCAL EXPENDITURES: ACTUAL EXPEND. W/O INTEREST: \$7,900

<u>PROGRAM PROGRESS SUMMARY:</u>		
INSTALLED WATER HEATERS:		19
INSTALLED HEATING SYSTEMS:		1
INSTALLED AIR CONDITIONING:		0
INSTALLED CLOTHES DRYERS		4
INSTALLED GAS RANGE		6
INSTALLED GAS TANKLESS W/HEA		3

ST JOE NATURAL GAS COMPANY, INC  
CONSERVATION PROGRAM DESCRIPTION AND PROGRESS FOR MONTHS:  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM TITLE: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO PROMOTE THE REPLACEMENT OF ELECTRIC RESISTENCE APPLIANCES WITH ENERGY EFFICIENT NATURAL GAS APPLIANCES. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST IN DEFRAYING THE ADDITIONAL COSTS IN PURCHASING AND INSTALLING NATURAL GAS APPLIANCES.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS WATER HEATING	\$525.00
GAS HEATING	\$625.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS WATER HEATER	\$525.00
	<u>\$3,375.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	10
	PLANNED HEATING SYSTEMS:	2
	PLANNED AIR CONDITIONING:	0
	PLANNED CLOTHES DRYER	0
	PLANNED GAS RANGE	0
	PLANNED GAS TANKLESS W/HEAT	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$9,075
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<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	38
	INSTALLED HEATING SYSTEMS:	4
	INSTALLED AIR CONDITIONING:	0
	INSTALLED CLOTHES DRYERS	4
	INSTALLED GAS RANGE	1
	INSTALLED GAS TANKLESS W/HEA	0

ST JOE NATURAL GAS COMPANY, INC  
CONSERVATION PROGRAM DESCRIPTION AND PROGRESS FOR MONTHS:  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO ENCOURAGE HOMEOWNERS WITH EXISTING NATURAL GAS APPLIANCES TO RETAIN NATURAL GAS WHEN THE EXISTING APPLIANCES FAIL, OR ARE OTHERWISE REPLACED. THE PROPOSED RETENTION PROGRAM INCLUDES ALLOWANCES FOR NATURAL GAS WATER HEATING, HEATING, CLOTHES DRYING, RANGE, AND TANKLESS WATER HEATING SYSTEMS.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS WATER HEATING	\$525.00
GAS HEATING	\$625.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS WATER HEATER	\$525.00
	<u>\$3,375.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	0
	PLANNED HEATING SYSTEMS:	0
	PLANNED AIR CONDITIONING:	0
	PLANNED CLOTHES DRYER	0
	PLANNED GAS RANGE	0
	PLANNED GAS TANKLESS W/HEAT	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$45,950
-------------------------------------	------------------------------	----------

<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	42
	INSTALLED HEATING SYSTEMS:	16
	INSTALLED AIR CONDITIONING:	0
	INSTALLED CLOTHES DRYERS	4
	INSTALLED GAS RANGE	6
	INSTALLED GAS TANKLESS W/HEA	1

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	46,700
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	78,728
3. TOTAL (LINE 1 AND LINE 2)	125,428

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS-1	12,736	85,912	165,568	60,517	226,085	19,985	8.83959%	0.23262	1.00503	0.23379
RS-2	11,055	229,005	176,880	129,912	306,792	27,119	8.83959%	0.11842	1.00503	0.11902
RS-3	10,056	413,540	201,120	208,346	409,466	36,195	8.83959%	0.08753	1.00503	0.08797
GS-1	2,610	94,935	52,200	41,753	93,953	8,305	8.83959%	0.08748	1.00503	0.08792
GS-2	428	213,027	29,960	67,745	97,705	8,637	8.83959%	0.04054	1.00503	0.04075
FTS-4	12	408,098	24,000	47,947	71,947	6,360	8.83959%	0.01558	1.00503	0.01566
FTS-5	12	4,980,000	36,000	176,989	212,989	18,827	8.83959%	0.00378	1.00503	0.00380
TOTAL	36,909	6,424,517	685,728	733,210	1,418,938	125,428				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 14  
 COMPANY St. Joe Natural Gas (Direct)  
 WITNESS Debbie Sitt (DKS-2)  
 DATE 11-04-08

DOCUMENT NUMBER-DATE

08580 SEP 15 8

FPSC-COMMISSION CLERK





ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2009 THROUGH DECEMBER 2009

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	10,850	0	0	0	10,850
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	7,075	0	0	0	7,075
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	28,775	0	0	0	28,775
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,700</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	8,325	0	0	0	8,325
B. ESTIMATED	0	0	0	0	2,800	0	0	0	2,800
TOTAL	0	0	0	0	11,125	0	0	0	11,125
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	11,800	0	0	0	11,800
B. ESTIMATED	0	0	0	0	2,500	0	0	0	2,500
TOTAL	0	0	0	0	14,300	0	0	0	14,300
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	58,750	0	0	0	58,750
B. ESTIMATED	0	0	0	0	14,700	0	0	0	14,700
TOTAL	0	0	0	0	73,450	0	0	0	73,450
4 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	98,875	0	0	0	98,875
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
RESIDENTIAL NEW CONSTRUCTION	0	925	200	1,350	350	2,000	350	3,150	700	700	700	700	11,125
RESIDENTIAL APPL. REPLACEMENT	200	4,700	625	1,575	625	1,150	625	2,300	625	625	625	625	14,300
RESIDENTIAL APPL. RETENTION	5,525	10,250	5,525	11,600	5,025	9,425	4,600	6,800	3,675	3,675	3,675	3,675	73,450
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	5,725	15,875	6,350	14,525	6,000	12,575	5,575	12,250	5,000	5,000	5,000	5,000	98,875

ENERGY CONSERVATION ADJUSTMENT  
 JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
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.	-15,160	-13,620	-9,657	-7,085	-6,060	-3,801	-4,343	-3,333	-3,469	-3,573	-5,085	-9,995	-85,182
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-15,160	-13,620	-9,657	-7,085	-6,060	-3,801	-4,343	-3,333	-3,469	-3,573	-5,085	-9,995	-85,182
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	63,204
CONSERVATION REVS. APPLIC. TO PERIOD	-9,893	-8,353	-4,390	-1,818	-793	1,466	924	1,934	1,798	1,694	182	-4,728	-21,978
CONSERVATION EXPS. (FORM C-3, PAGE 3)	5,725	15,875	6,350	14,525	6,000	12,575	5,575	12,250	5,000	5,000	5,000	5,000	98,875
TRUE-UP THIS PERIOD	-4,168	7,522	1,960	12,707	5,207	14,041	6,499	14,184	6,798	6,694	5,182	272	76,897
INTEREST THIS PERIOD (C-3,PAGE 5)	196	142	130	130	133	133	143	154	165	169	170	165	1,831
TRUE-UP & INT. BEG. OF MONTH	63,204	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	
PRIOR TRUE-UP COLLECT./(REFUND.)	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	
END OF PERIOD TOTAL NET TRUE-UP	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	78,728	78,728

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	63,204	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	
END. T-UP BEFORE INT.	53,769	56,220	53,054	60,625	60,695	69,602	70,967	80,027	81,712	83,305	83,388	78,563	
TOT. BEG. & END. T-UP	116,973	110,185	109,416	113,810	121,450	130,431	140,702	151,137	161,893	165,182	166,861	162,121	
AVERAGE TRUE-UP	58,486	55,093	54,708	56,905	60,725	65,215	70,351	75,569	80,947	82,591	83,431	81,061	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	4.90%	4.90%	4.90%	4.90%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	\$196	\$142	\$130	\$130	\$133	\$133	\$143	\$154	\$165	\$169	\$170	\$165	\$1,831

PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

PROGRAM DESCRIPTION:

This program is designed to increase the number of high priority firm natural gas customers in the new construction market. Incentives are offered in the form of cash allowances to assist builders in defraying the additional costs associated with natural gas appliance installations.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$350.00
GAS WATER HEATING	\$350.00
GAS AIR CONDITIONING	\$1,400.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$450.00
	<u>\$2,750.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2008 THROUGH DECEMBER 2009

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	10	9		7	8	6
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	10	9		7	8	6

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	8,325.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	2,800.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	10,850.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired.



PROGRAM TITLE: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION: This program is designed to promote the replacement of electric resistance appliances with energy efficient natural gas heaters, water heaters, air conditioners, dryers, ranges and tankless water heaters. Incentives are offered in the form of cash allowances to assist in defraying the additional costs in purchasing and installing natural gas appliances.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2008 THROUGH DECEMBER 2009

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	23	1		4	12	0
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	10	1		4	8	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2008 THROUGH DECEMBER 2009

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	11,800.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	2,500.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	7,075.00

PROGRAM PROGRESS SUMMARY: Replacement of electric appliances with natural gas appliances continues to be well received by ratepayers in St Joe Natural Gas Company's service territory.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: 0.00

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	110	19		12	21	1
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	45	5		5	10	1

PROGRAM FISCAL EXPENSES FOR: RESIDENTIAL APPLIANCE RETENTION PROGRAM

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	58,750.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	14,700.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	28,775.00

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain an existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.

Docket No. 080004-GU

Exhibit \_\_\_\_\_ (JHM-1)

SEBRING GAS SYSTEM, INC.

CONSERVATION COST RECOVERY TRUE-UP

January 1, 2007 through December 31, 2007

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 15

COMPANY Sebring Gas Co. (Direct)

WITNESS Jerry H. Melendy, Jr. (JHM-1)

DATE 11-04-08

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SCHEDULE CT-1

COMPANY: Sebring Gas system  
Docket No. 080004-GU  
Exhibit JHM-1  
Page 1 of 13

ADJUSTED NET TRUE-UP  
FOR MONTH JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	2,172	
INTEREST	<u>284</u>	2,456

LESS PROJECTED TRUE-UP

PRINCIPLE	0	
INTEREST	<u>0</u>	<u>0</u>

ADJUSTED NET TRUE-UP		<u>2,456</u>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	0	0	0
OUTSIDE SERVICES	12,344	0	12,344
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	12,344	0	12,344
PROGRAM REVENUES	<u>(10,172)</u>	<u>0</u>	<u>(10,172)</u>
TOTAL PROGRAM COSTS	12,344	0	12,344
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(10,172)	0	(10,172)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	2,172	0	2,172
INTEREST PROVISION	<u>284</u>	<u>0</u>	<u>284</u>
END OF PERIOD TRUE-UP	<u>2,456</u>	<u>0</u>	<u>2,456</u>

( ) REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	0	0	0	0	5,101	0	0	5,101
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	0	0	3,934	0	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	0	0	3,309	0	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,344</b>	<b>0</b>	<b>0</b>	<b>12,344</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	0	0	0	0	5,101	0	0	5,101
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	0	0	3,934	0	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	0	0	3,309	0	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5: 0	0	0	0	0	0	0	0	0	0
PROGRAM 6: 0	0	0	0	0	0	0	0	0	0
PROGRAM 7: 0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	0	0	0	0	12,344	0	0	12,344

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES



ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: Residential New Construction Program	1,167	0	0	1,833	68	0	0	0	125	0	75	0	3,268
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	1,833	68	0	0	1,833	125	0	75	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	1,333	68	0	0	1,833	0	0	75	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,167</b>	<b>0</b>	<b>0</b>	<b>4,999</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>5,499</b>	<b>250</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>12,344</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	1,167	0	0	4,999	204	0	0	5,499	250	0	225	0	12,344

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,851)	(2,881)	(10,172)
4. TOTAL REVENUES	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,851)	(2,881)	(10,172)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,851)	(2,881)	(10,172)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,167	0	0	4,999	204	0	0	5,499	250	0	225	0	12,344
8. TRUE-UP THIS PERIOD	1,167	0	0	4,999	204	0	0	5,499	(1,908)	(2,482)	(2,426)	(2,881)	2,172
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	3	5	5	16	28	28	28	43	49	36	26	16	284
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	0	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	
11 PRIOR TRUE-UP COLLECTED(REFUNDED)	0	0	0	0	0	0	0	0	0	0	0	0	0
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	2,456	2,456

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	0	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	
2. ENDING TRUE-UP BEFORE INTEREST	1,167	1,170	1,175	6,179	6,399	6,427	6,455	11,982	10,117	7,884	5,285	2,440	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,167	2,339	2,349	7,359	12,594	12,853	12,910	18,465	22,143	17,851	13,016	7,760	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	584	1,170	1,175	3,679	6,297	6,427	6,455	9,233	11,071	8,925	6,508	3,880	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.27%	5.28%	5.26%	5.26%	5.26%	5.28%	5.24%	5.82%	5.82%	5.05%	4.75%	4.98%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.82%	5.05%	4.72%	4.75%	4.98%	
7. TOTAL (SUM LINES 5 & 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.56%	10.48%	11.24%	10.87%	9.77%	9.50%	9.96%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.82%	5.34%	4.89%	4.75%	4.98%	
9. MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.47%	0.44%	0.41%	0.40%	0.42%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	3	5	5	16	28	28	28	43	49	36	26	16	284



**Schedule CT-5**

Sebring Gas System, Inc.

Reconciliation and Explanation of Differences between Filing and PSC Audit Report for January 2007 through December 2007.

**NO DIFFERENCES AS OF THE DATE OF THIS FILING**

**Schedule CT-6**  
Page 1 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:

Residential New Construction Program

Program Description:

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:

Conservation allowances for 2007 are:

- \$350 Gas Storage Tank Water Heating
- \$450 Gas Tankless Water Heating
- \$350 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Projections:

For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007) the Company estimated that 10 homes would be connected to the system. During this period, zero (0) new home allowances were paid, although several homes are currently under construction and scheduled for completion in 2008.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$5,101.

Program Progress Summary:

Since the program's inception in July 2007, no new home allowances were paid. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residences.

**Schedule CT-6**  
Page 2 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

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. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowances:  
Conservation allowances for 2007 are:  
    \$525 Gas Storage Tank Water Heating  
    \$525 Gas Tankless Water Heating  
    \$625 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Projections:  
For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007), we estimated that 8 appliance conversions would qualify for incentives during this period. The Company recorded zero (0) residential appliance replacement program payments in 2007.

Program Fiscal Expenditures:  
For this twelve-month period, CUC incurred program costs of \$3,934.

Program Summary:  
No residences qualified for this program in 2007.

Schedule CT-6  
Page 3 of 4

**Sebring Gas System, Inc.  
Program Description and Progress**

Program Title:  
Residential Appliance Retention Program

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:  
Conservation allowances are currently:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Activity and Projections:  
For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007), we estimated that 7 natural gas appliance installations would qualify for this program. The Company recorded zero (0) residential appliance retention allowance payments in 2007.

Program Fiscal Expenditures:  
For this twelve-month period, CUC incurred program costs of \$3,309.

Program Summary:  
No natural gas appliance retention allowances have were paid in 2007. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.



**Schedule CT-6**  
Page 4 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Activity and Projections:  
The Company initiated its conservation programs following Commission approval in late August 2007. The Company committed to participate in the Get Gas Florida consumer education program (a statewide advertising and web based information service) beginning with the 2008 program year. During 2007, the Company communicated with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage of the Company's approximately 300 residential customers visit its office location in Sebring to pay monthly bills. The Company's office staff has personally described the programs and allowance amounts to these customers. In addition, signage in the office has provided program information.

Program Fiscal Expenditures:  
Program costs totaled \$0 for this twelve-month period.

2

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	19075
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-10238.07875
3. TOTAL (LINE 1 AND LINE 2)	8836.921247

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	ECCR FACTOR
TS-1	4059	38712	36531	22,120.04	58,651.04	1,184.71	0.02020	0.03060	1.00503	0.03076
TS-2	933	27856	11196	13,740.53	24,936.53	503.70	0.02020	0.01808	1.00503	0.01817
TS-3	674	280668	23590	131,007.40	154,597.40	3,122.77	0.02020	0.01113	1.00503	0.01118
TS-4	328	443285	49200	150,100.73	199,300.73	4,025.74	0.02020	0.00908	1.00503	0.00913
TOTAL	5994	790521	120517	316,968.70	437,485.70	8,836.92				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080074-6 EXHIBIT 16

COMPANY Sebring Gas Co. (Direct)

WITNESS Jerry H. Melendy (JHM-2)

DATE 11-04-08

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	NOV 2009	DEC 2009	TOTAL
1 RESIDENTIAL NEW CONSTRUCTIO	0	0	350	0	0	850	0	0	350	1,000	0	350	2,900
2 RESIDENTIAL APPL. REPLACEMEN	0	1,050	0	0	1,050	500	0	0	1,050	1,000	0	525	5,175
3 RESIDENTIAL APPL. RETENTION	1,050	0	0	1,750	0	500	1,750	0	0	2,750	0	0	7,800
4 CONSERVATION EDUC	1,000	0	0	0	1,000	0	0	0	0	0	1,200	0	3,200
5 COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>2,050</b>	<b>1,050</b>	<b>350</b>	<b>1,750</b>	<b>2,050</b>	<b>1,850</b>	<b>1,750</b>	<b>0</b>	<b>1,400</b>	<b>4,750</b>	<b>1,200</b>	<b>875</b>	<b>19,075</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	1,400	1,500	0	0	2,900
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	3,675	1,500	0	0	5,175
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	6,300	1,500	0	0	7,800
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	3,200	0	0	0	0	3,200
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
<b>PROGRAM COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,200</b>	<b>11,375</b>	<b>4,500</b>	<b>0</b>	<b>0</b>	<b>19,075</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	0	1,389	0	0	1,389
B. ESTIMATED	0	0	0	0	350	1,250	0	0	1,600
MULIT-FAMILY HM BUILDER	0	0	0	0	350	2,639	0	0	2,989
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	0	1,389	0	0	1,389
B. ESTIMATED	0	0	0	0	2,400	2,050	0	0	4,450
ELECTRIC REPLACEMENT	0	0	0	0	2,400	3,439	0	0	5,839
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	350	1,388	0	0	1,738
B. ESTIMATED	0	0	0	0	4,000	4,150	0	0	8,150
DEALER PROGRAM	0	0	0	0	4,350	5,538	0	0	9,888
4 CONSERVATION EDUC									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	4,200	0	0	0	0	4,200
SCHOOLS PROGRAM	0	0	0	4,200	0	0	0	0	4,200
5 COMMON COSTS									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,200</u>	<u>7,100</u>	<u>11,616</u>	<u>0</u>	<u>0</u>	<u>22,916</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	4,200	7,100	11,616	0	0	22,916
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,200</b>	<b>7,100</b>	<b>11,616</b>	<b>0</b>	<b>0</b>	<b>22,916</b>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
RESIDENTIAL NEW CONSTRUCTION	914	0	0	0	0	475	0	0	0	1,600	0	0	2,989
RESIDENTIAL APPL. REPLACEMENT	914	0	0	0	0	475	0	0	775	1,525	1,375	775	5,839
RESIDENTIAL APPL. RETENTION	913	0	350	0	0	475	0	0	800	2,350	2,800	2,200	9,888
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	1,000	2,200	1,000	4,200
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	2,741	0	350	0	0	1,425	0	0	1,575	6,475	6,375	3,975	22,916

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
CONSERVATION REVS.													
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
a.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. ECCR REVENUE	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
4. CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL REVENUES	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
6. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7. CONSERVATION REVS. APPLIC. TO PERIOD	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
8. CONSERVATION EXPS. (FORM C-3, PAGE 3)	2,741	0	350	0	0	1,425	0	0	1,575	6,475	6,375	3,975	22,916
9. TRUE-UP THIS PERIOD	(478)	(2,983)	(2,669)	(3,128)	(2,590)	(1,107)	(2,606)	(2,232)	(902)	3,746	3,396	1,192	(10,361)
10. INTEREST THIS PERIOD (C-3,PAGE 5)	0	-4	-11	-17	-22	-25	-28	-33	-37	-34	-27	-22	-259
11. TRUE-UP & INT. BEG. OF MONTH	382	(96)	(3,083)	(5,762)	(8,907)	(11,519)	(12,651)	(15,285)	(17,551)	(18,489)	(14,777)	(11,408)	382
12. PRIOR TRUE-UP COLLECT./(REFUND.)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. END OF PERIOD TOTAL NET TRUE-UP	(96)	(3,083)	(5,762)	(8,907)	(11,519)	(12,651)	(15,285)	(17,551)	(18,489)	(14,777)	(11,408)	(10,238)	(10,238)



CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	382.00	(95.52)	(3082.60)	(5762.13)	(8906.82)	(11519.23)	(12650.77)	(15285.20)	(17550.62)	(18489.38)	(14777.30)	(11408.00)	
END. T-UP BEFORE INT.	(96.00)	(3078.52)	(5751.60)	(8890.13)	(11496.82)	(12626.23)	(15256.77)	(17517.20)	(18452.62)	(14743.38)	(11381.30)	(10216.00)	
TOT. BEG. & END. T-UP	286.00	(3174.04)	(8834.20)	(14652.25)	(20403.65)	(24145.45)	(27907.55)	(32802.41)	(36003.24)	(33232.75)	(26158.60)	(21624.01)	
AVERAGE TRUE-UP	143.00	(1587.02)	(4417.10)	(7326.13)	(10201.82)	(12072.73)	(13953.77)	(16401.20)	(18001.62)	(16616.38)	(13079.30)	(10812.00)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	4.90%	4.90%	4.90%	4.90%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	\$0	-\$4	-\$11	-\$17	-\$22	-\$25	-\$28	-\$33	-\$37	-\$34	-\$27	-\$22	-\$259

**Exhibit\_\_\_\_\_ (JHM-1)**

**Sebring Gas System, Inc.**

**Docket No. 080004-GU**

**Energy Conservation Schedules and Program Descriptions**

**September 2008**

**Schedule C-5**  
Page 1 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:  
Residential New Construction Program

Reporting Period  
January 2008 through August 2008

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Current Approved Allowances:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
During the eight-month reporting period January 2008 through August 2008, zero (0) new home allowances were paid. The Company projects one (1) new home will qualify for allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight month reporting period, actual expenditures for this program totaled \$1,389. The Company projects that total expenditures will equal \$2,989, for the 2008 annual period.

**Schedule C-5**  
Page 2 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:  
Residential Appliance Replacement Program

Reporting Period  
January 2008 through August 2008

Program Description:  
This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Current Approved Allowances:

\$525	Gas Storage Tank Water Heating
\$525	Gas Tankless Water Heating
\$625	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Projections:  
During the eight-month reporting period January 2008 through August 2008, zero (0) residential appliance replacement allowances were paid. The Company projects one (1) residential appliance installations will qualify for replacement allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$1,389. The Company projects that total expenditures will equal \$5,839 for the 2008 annual period.

**Schedule C-5**  
Page 3 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:

Residential Appliance Retention Program

Reporting Period

January 2008 through August 2008

Program Description:

The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:

During the eight-month reporting period January 2008 through August 2008, one (1) residential appliance retention allowance was paid. The Company projects twenty-five (25) residential appliance installations will qualify for retention allowances during the period September through December 2008 as a result of increased sales and consumer education activities.

Program Fiscal Expenditures:

During the eight-month reporting period, actual expenditures for this program were \$1,738. The Company projects that total expenditures will equal \$9,888 for the 2008 annual period.

**Schedule C-5**  
Page 4 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:  
Conservation Education Program

Reporting Period  
January 2008 through August 2008

Program Description:  
The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Activity and Projections:  
The Company initiated its conservation programs following Commission approval in late August 2007. The Company committed to participate in the Get Gas Florida consumer education program (a statewide advertising and web based information service) beginning with the 2008 program year, and will receive an invoice in November 2008. The Company has communicated with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage of the Company's approximately 300 residential customers visit its office location in Sebring to pay monthly bills. The Company's office staff has personally described the programs and allowance amounts to these customers. Direct mail communications are planned for the fourth quarter of 2008 and 2009. In addition, signage in the office has provided program information. The Company has retained an outside contract sales person to attempt to increase program participation.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$0. The Company projects that total expenditures will equal \$4,200 for the 2008 annual period.

DOCKET NO. 080004-GU: Natural gas conservation cost recovery for Florida Public Utilities Company

WITNESS: Direct Testimony Of Kathy L. Welch, Appearing On Behalf Of Staff

EXHIBIT KLW-1: History of Testimony Provided by Kathy L. Welch

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 080004-GU EXHIBIT 17  
COMPANY FL PSC Staff (Direct)  
WITNESS Kathy L. Welch (KLW-1)  
DATE 11-04-08

- In re: Application for approval of rate increase in Lee County by Tamiami Village Utility, Inc., Docket No. 910560-WS
- In re: Application for transfer of territory served by Tamiami Village Utility, Inc. in Lee County to North Fort Myers Utility, Inc., cancellation of Certificate No. 332-S and amendment of Certificate 247-S; and for a limited proceeding to impose current rates, charges, classifications, rules and regulations, and service availability policies, Docket No. 940963-SU
- In re: Application for a rate increase by General Development Utilities, Inc. (Port Malabar Division) in Brevard County, Docket No. 911030-WS
- In re: Dade County Circuit Court referral of certain issues in Case No. 92-11654 (Transcall America, Inc. d/b/a ATC Long Distance vs. Telecommunications Services, Inc., and Telecommunications Services, Inc. vs. Transcall America, Inc. d/b/a ATC Long Distance) that are within the Commission's jurisdiction, Docket No. 951232-TI
- In re: Application for transfer of Certificates Nos. 404-W and 341-S in Orange County from Econ Utilities Corporation to Wedgefield Utilities, Inc., Docket No. 960235-WS
- In re: Application for increase in rates and service availability charges in Lee County by Gulf Utility Company, Docket No. 960329-WS
- In re: Fuel and purchased power cost recovery clause and generating performance incentive factor, Docket No. 010001-EI
- In re: Application for staff-assisted rate case in Highlands County by The Woodlands of Lake Placid, L.P., Docket No. 020010-WS
- In re: Application for rate increase in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida, Docket No. 020071-WS
- In re: Petition for issuance of a storm recovery financing order, by Florida Power & Light Company, Docket No. 060038-EI
- In re: Nuclear cost recovery clause, Docket No. 080009-EI





## FLORIDA PUBLIC SERVICE COMMISSION

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

*Miami District Office*

**Florida Public Utilities Company  
Gas Energy Conservation Clause Audit**

**Twelve Months Ended December 31, 2007**

**DOCKET #080004-GU  
AUDIT CONTROL NO. 08-037-4-4**

A handwritten signature in cursive script, reading "Kathy L. Welch".

**Kathy L. Welch  
Audit Manager**

A handwritten signature in cursive script, reading "Iliana Piedra".

**Iliana Piedra  
Regulatory Analyst**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 18

COMPANY FL PSC Staff (Direct)

WITNESS Kathy L. Welch (KLW-2)

DATE 11-04-08

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2. Car Wrap	4
3. Entertainment and Spouse Expense	6
4. Interest Rates	7
IV. EXHIBITS	9
Company Filing Calculation of True-up for 2007	

**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
AUDITOR'S REPORT**

**July 3, 2008**

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

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules, prepared by Florida Public Utilities Company, in support of its filing for conservation docket 080004-GU.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use.

## OBJECTIVES AND PROCEDURES:

**Objective:** The objective of the audit was to reconcile the schedules to each other and to the general ledger.

**Procedures:** We prepared a trial balance using the general ledger and reconciled all conservation accounts to the filing.

**Objective:** The objective was to verify that the true-up was calculated correctly.

**Procedures:** We agreed the beginning true-up provision to the last order and workpapers. We prepared a recalculation using the filing and Commission approved interest rates. Audit finding four discusses the company use of the incorrect interest rates.

**Objective:** The objective of the audit was to determine that the company has applied the approved conservation cost recovery factors to actual therm sales and properly calculated revenues.

**Procedures:** Therms from the statistics report were multiplied by the ordered rates and compared to the ledger and filing. Differences were compared to billing corrections. Some bills were selected and recalculated to determine that the tariff rates were used.

**Objective:** The objective of the audit was to determine that the actual energy conservation program expenses filed by the company agree with source documentation and meet the requirements of the programs.

**Procedures:** We reconciled the filing to the general ledger detail. We selected a sample of the vouchers recorded in the general ledger and traced them to source documentation. Audit finding one discusses the demo kitchen. Audit finding two discusses the car wrap. Audit finding three discusses entertainment and spouse expense.

We verified that the incentives paid by voucher met the program guidelines.

We reconciled the payroll taxes on the payroll file to the support in the last audit. We reviewed the ledger to determine that all the corrections from the last audit were made. We reviewed the payroll file for new employees and obtained their job titles to determine if they were conservation employees.

**AUDIT FINDING NO. 1**

**SUBJECT: DEMO KITCHEN**

**AUDIT ANALYSIS:** An invoice paid to Relwood Installation Corp in September 2007 for \$6,250 was for a demo kitchen. It was charged to account 121.4010.909 – West Palm Advertising expense. The kitchen is in the front of the gas appliance showroom in the West Palm Beach office building and appears to be part of the appliance sales display.

According to the company strategy brief, “the Energy Star kitchen contributes to conservation by promoting efficient use of energy efficient appliances. The kitchen creates an educational environment to engage customers in exploring the various features of an appliance that make the appliance more energy and/or resource efficient. One of the major myths of energy efficiency is that energy efficient products sacrifice looks and performance to achieve efficiency. The high end look of the kitchen and appliances demonstrate that energy efficiency and style are not mutually exclusive.”

The kitchen also benefits appliance sales and may be more appropriately recorded below the line.

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.

**AUDIT FINDING NO. 2**

**SUBJECT: CAR WRAP**

**AUDIT ANALYSIS:** Florida Public Utilities paid \$6,549.75 to Signs for Tomorrow for a car wrap around two Chevy Trucks used in the electric divisions. The wrap advertises the conservation programs. The invoice was charged 46% to gas and 54% to electric divisions. According to a company representative the costs should be 100% electric.

**EFFECT ON GENERAL LEDGER:** The following entry should be made to the ledger but not included in next years filing costs:

114.4010.909-Marianna Conservation Advertising	\$1,506.45	\$
115.4010.909-Fernandina Conservation Advertising	1,506.44	
121.4010.909 West Palm Cons. Advertising		1,506.45
123.4010.909 Brevard Conservation Advertising		1,506.45

**EFFECT ON FILING:** Gas costs should be decreased by \$3,012.89 and interest of \$112 for a total increase to the over-recovery of \$3,125.

INTEREST RATES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Beginning	5.270%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%
Ending	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	4.980%
Total	10.530%	10.520%	10.520%	10.520%	10.520%	10.540%	10.520%	10.860%	10.670%	9.770%	9.470%	9.730%
Average	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%
Monthly Average	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%

CALCULATION OF TRUE-UP

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Conservation Revenues (line 3)	-267,869	-266,849	-279,499	-224,468	-186,362	-174,986	-153,697	-140,256	-131,577	-156,351	-181,929	-217,637	-2,381,480
(1/12) of Prior True-Up (4) (A)	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-268,309
Total conservation revenue current period	-290,228	-289,208	-301,858	-246,827	-208,721	-197,345	-176,056	-162,615	-153,936	-178,710	-204,288	-239,996	-2,649,789
Conservation Cost	91,710	119,118	194,559	292,256	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,246,560
True-up this period	-198,518	-170,090	-107,299	45,429	-53,666	85,373	-38,939	35,883	40,480	75,517	-28,254	-89,144	-403,229
Interest provision (line 8)	-1,564	-2,279	-2,799	-2,849	-2,781	-2,631	-2,438	-2,433	-2,132	-1,634	-1,409	-1,601	-26,549
Adj. to interest prov. (a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred true-up beginning (9a)	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up & interest beginning (9) (A)	-268,309	-446,032	-596,042	-683,780	-618,841	-652,929	-547,828	-566,846	-511,037	-450,330	-354,088	-361,392	-268,309
Regulatory asses. fee adj (9b)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior true-up collected ref. (10) (A)	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	268,309
Total net true-up over-recovery (under)	-446,032	-596,042	-683,780	-618,841	-652,929	-547,828	-566,846	-511,037	-450,330	-354,088	-361,392	-429,777	-429,777
True-up for the month per filing	-445,776	-595,464	-682,879	-614,706	-648,632	-543,453	-562,480	-506,600	-445,846	-349,711	-357,153	-425,650	-425,650
Difference is due to rounding	-256	-578	-901	-4,135	-4,297	-4,375	-4,366	-4,437	-4,484	-4,377	-4,239	-4,127	-4,127

Interest adjustment -1,004

Correction for this finding -3,123

CALCULATION OF INTEREST

Beginning true up and interest	-268,309	-446,032	-596,042	-683,780	-618,841	-652,929	-547,828	-566,846	-511,037	-450,330	-354,088	-361,392	
Ending true-up before int	-444,468	-593,763	-680,982	-615,992	-650,148	-545,197	-564,408	-508,604	-448,198	-352,454	-359,983	-428,177	
Total	-712,777	-1,039,794	-1,277,023	-1,299,773	-1,268,989	-1,198,126	-1,112,236	-1,075,449	-959,235	-802,784	-714,071	-789,569	
Average true up	-356,389	-519,897	-638,512	-649,886	-634,494	-599,063	-556,118	-537,725	-479,617	-401,392	-357,036	-394,784	
Interest rate per above	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%	
Interest per staff	-1,564	-2,279	-2,799	-2,849	-2,781	-2,631	-2,438	-2,433	-2,132	-1,634	-1,409	-1,601	-26,549
Interest per filing	-1,308	-1,957	-2,475	-2,628	-2,619	-2,553	-2,448	-2,362	-2,085	-1,741	-1,545	-1,712	-25,433
Difference is due to rounding	-256	-322	-324	-221	-162	-78	10	-71	-47	107	136	111	-1,116

Interest Correction -1,004

Correction this finding -112

**AUDIT FINDING NO. 3**

**SUBJECT: ENTERTAINMENT AND SPOUSE EXPENSES**

**AUDIT ANALYSIS:** A company employee was reimbursed for expenses for a Builder Development Conference in Bonita Beach in May of 2007. The expense included entertainment costs of \$1,011.96 for employees and a builder and his wife. These costs were charged to account 121.4010.907-West Palm Beach Supervision expenses.

In June 2007, \$1,875 was paid to the SGA Builders and Developers Conference for registration for spouses and an Eco Tour for both the spouses and the participants. One of the registrations paid was for a developer and his wife.

According to the utility representative, "spouses of the builders and developers are invited and are encouraged to participate in all meetings, social events and educational seminars. The thought process behind inviting the spouses is based on the theory that if you convince the spouse, they too will encourage the use of natural gas and will want to attend future events. It is vital that the industry reach out to and educate the decision makers that will impact future expansion of natural gas."

"To balance out the networking and social interaction, FPU and other participating companies invite their spouses as well to attend and to assist with the marketing of natural gas and the conservation programs under which we provide incentives in the form of rebates and services."

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.



**AUDIT FINDING NO. 4**

**SUBJECT: INTEREST RATES**

**AUDIT ANALYSIS:** Florida Public Utilities did not use the correct Wall Street Journal Interest Rates. This error resulted in an understatement of the over-recovery of \$1,004. The attached schedule details the difference with the new rates.

**EFFECT ON GENERAL LEDGER:** The true up account needs to be credited with the \$1,004 of interest.

**EFFECT ON FILING:** Interest expense should be decreased by \$1,004.

INTEREST RATES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Beginning	5.270%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%
Ending	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.240%	5.620%	5.050%	4.720%	4.750%	4.980%
Total	10.530%	10.520%	10.520%	10.520%	10.520%	10.540%	10.520%	10.860%	10.670%	9.770%	9.470%	9.730%
Average	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%
Monthly Average	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%

CALCULATION OF TRUE-UP	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Conservation Revenues (line 3)	-267,869	-266,849	-279,499	-224,468	-186,362	-174,986	-153,697	-140,256	-131,577	-156,351	-181,929	-217,637	-2,381,480
(1/12) of Prior True-Up (4) (A)	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-22,359	-268,309
Total conservation revenue current period	-290,228	-289,208	-301,858	-246,827	-208,721	-197,345	-176,056	-162,615	-153,936	-178,710	-204,288	-239,996	-2,649,789
Conservation Cost	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573
True-up this period	-198,518	-170,090	-107,299	48,442	-53,666	85,373	-38,939	35,883	40,480	75,517	-28,254	-89,144	-400,216
Interest provision (line 8)	-1,564	-2,279	-2,799	-2,842	-2,768	-2,618	-2,424	-2,419	-2,119	-1,621	-1,397	-1,588	-26,437
Adj. to interest prov.(a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred true-up beginning (9a)		0	0	0	0	0	0	0	0	0	0	0	0
True-up & interest beginning (9) (A)	-268,309	-446,032	-596,042	-683,780	-615,821	-649,896	-544,782	-563,786	-507,964	-447,243	-350,989	-358,280	-268,309
Regulatory asses. fee adj (9b)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior true-up collected ref. (10) (A)	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	268,309
Total net true-up over-recovery (under)	-446,032	-596,042	-683,780	-615,821	-649,896	-544,782	-563,786	-507,964	-447,243	-350,989	-358,280	-426,653	-426,653
True-up for the month per filing	-445,776	-595,464	-682,879	-614,706	-648,632	-543,453	-562,480	-506,600	-445,846	-349,711	-357,153	-425,650	-425,650
Difference is due to rounding	-256	-578	-901	-1,115	-1,264	-1,329	-1,306	-1,364	-1,397	-1,278	-1,127	-1,003	-1,003
CALCULATION OF INTEREST													
Beginning true up and interest	-268,309	-446,032	-596,042	-683,780	-615,821	-649,896	-544,782	-563,786	-507,964	-447,243	-350,989	-358,280	
Ending true-up before int	-444,468	-593,763	-680,982	-612,979	-647,128	-542,164	-561,362	-505,544	-445,125	-349,367	-356,884	-425,065	
Total	-712,777	-1,039,794	-1,277,023	-1,296,760	-1,262,950	-1,192,061	-1,106,144	-1,069,330	-953,088	-796,610	-707,872	-783,345	
Average true up	-356,389	-519,897	-638,512	-648,380	-631,475	-596,030	-553,072	-534,665	-476,544	-398,305	-353,936	-391,673	
Interest rate per above	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.453%	0.445%	0.407%	0.395%	0.405%	
Interest per staff	-1,564	-2,279	-2,799	-2,842	-2,768	-2,618	-2,424	-2,419	-2,119	-1,621	-1,397	-1,588	-26,437
Interest per filing	-1,308	-1,957	-2,475	-2,628	-2,619	-2,553	-2,448	-2,362	-2,085	-1,741	-1,545	-1,712	-25,433
Difference is due to rounding	-256	-322	-324	-214	-149	-65	24	-57	-34	120	148	124	-1,004

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**EXHIBITS**

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

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-07 THROUGH December-07

A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction Program	16,847	19,864	20,988	80,995	6,435	28,761	14,955	19,284	12,995	20,146	10,232	38,993	290,495
2.	Residential Appliance Replacement Program	13,706	16,685	67,492	98,305	79,800	105,833	43,101	84,087	26,285	63,151	36,979	23,288	658,712
3.	Conservation Education Program	778	1,482	1,027	42,218	476	2,067	2,716	3,460	165	2,308	639	208	57,544
4.	Space Conditioning Program	550	(25)	568	477	671	4,959	806	736	715	740	643	650	11,491
5.	Residential Conservation Service Program	447	1,102	1,050	1,956	1,973	1,690	1,409	9,773	27,452	669	2,545	707	50,771
6.	Residential Appliance Retention Program	27,830	40,556	61,989	28,365	25,321	45,767	26,662	33,782	36,064	99,150	79,582	39,684	544,753
7.	Dealer / Contractor		0											0
10.	Commercial Conservation Service Program	755	7,294	4,022	1,326	350	6,217	1,149	6,658	30,629	(350)	1,493	372	59,915
12.														
13.	Residential Service Reactivation Program		40			459	560	629	(50)	16,494	17,806			35,938
14.	Common	30,797	32,118	37,424	41,626	39,571	86,863	45,690	40,770	43,617	50,607	43,920	46,950	539,954
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 2 OF 3

FOR MONTHS January-07 THROUGH December-07

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(140,256)	(131,577)	(156,351)	(181,929)	(217,637)	(2,381,480)
3. TOTAL REVENUES	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(140,256)	(131,577)	(156,351)	(181,929)	(217,637)	(2,381,480)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(22,360)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(268,309)
5. CONSERVATION REVENUE APPLICABLE	(290,229)	(289,208)	(301,858)	(246,827)	(208,721)	(197,345)	(176,056)	(162,615)	(153,936)	(178,710)	(204,288)	(239,996)	(2,649,789)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	91,710	119,118	194,559	295,269	155,055	282,718	137,117	198,498	194,416	254,227	176,034	150,852	2,249,573
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(198,519)	(170,090)	(107,299)	48,442	(53,666)	85,373	(38,939)	35,883	40,480	75,517	(28,254)	(89,144)	(400,216)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(1,308)	(1,957)	(2,475)	(2,628)	(2,619)	(2,553)	(2,448)	(2,362)	(2,085)	(1,741)	(1,546)	(1,712)	(25,434)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(268,309)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(268,309)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	22,360	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	268,309
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(425,650)	(425,650)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-07 THROUGH December-07

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(268,309)	(445,776)	(595,464)	(682,879)	(614,706)	(648,632)	(543,453)	(562,480)	(506,600)	(445,846)	(349,711)	(357,153)	(268,309)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(444,468)	(593,507)	(680,404)	(612,078)	(646,013)	(540,900)	(560,032)	(504,238)	(443,761)	(347,970)	(355,607)	(423,938)	(400,216)
3. TOTAL BEG. AND ENDING TRUE-UP	(712,777)	(1,039,283)	(1,275,868)	(1,294,957)	(1,260,719)	(1,189,531)	(1,103,485)	(1,066,718)	(950,361)	(793,816)	(705,318)	(781,090)	(668,525)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(356,388)	(519,641)	(637,934)	(647,478)	(630,360)	(594,766)	(551,742)	(533,359)	(475,180)	(396,908)	(352,659)	(390,545)	(334,262)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	4.30%	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.27%	5.26%	5.27%	5.25%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.27%	5.26%	5.27%	5.25%	5.27%	
7. TOTAL (LINE C-5 + C-6)	8.81%	9.04%	9.31%	9.74%	9.97%	10.30%	10.65%	10.63%	10.53%	10.53%	10.52%	10.52%	
8. AVG. INTEREST RATE (C-7 X 50%)	4.41%	4.52%	4.66%	4.87%	4.99%	5.15%	5.33%	5.32%	5.27%	5.27%	5.26%	5.26%	
9. MONTHLY AVERAGE INTEREST RATE	0.367%	0.377%	0.388%	0.406%	0.415%	0.429%	0.444%	0.443%	0.439%	0.439%	0.438%	0.438%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(1,308)	(1,957)	(2,475)	(2,628)	(2,619)	(2,553)	(2,448)	(2,362)	(2,085)	(1,741)	(1,546)	(1,712)	(25,434)

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Staff Audit Report

**AUDIT FINDING NO. 1**

**SUBJECT: DEMO KITCHEN**

**AUDIT ANALYSIS:** An invoice paid to Relwood Installation Corp in September 2007 for \$6,250 was for a demo kitchen. It was charged to account 121.4010.909 – West Palm Advertising expense. The kitchen is in the front of the gas appliance showroom in the West Palm Beach office building and appears to be part of the appliance sales display.

According to the company strategy brief, "the Energy Star kitchen contributes to conservation by promoting efficient use of energy efficient appliances. The kitchen creates an educational environment to engage customers in exploring the various features of an appliance that make the appliance more energy and/or resource efficient. One of the major myths of energy efficiency is that energy efficient products sacrifice looks and performance to achieve efficiency. The high end look of the kitchen and appliances demonstrate that energy efficiency and style are not mutually exclusive."

The kitchen also benefits appliance sales and may be more appropriately recorded below the line.

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.

**FPU's Response:**

In an effort to promote energy efficiency and FPU's Natural Gas Conservation Appliance Rebate Programs, FPU decided to construct a kitchen with Energy Star appliances to communicate this message. The goal in creating FPU's Energy Star kitchen was to dispel the myth that a customer must be willing to sacrifice looks and performance to achieve energy efficiency. By creating an Energy Star Kitchen with a high end look, FPU demonstrates to our customers that energy efficiency and style are not mutually exclusive.

Additionally, the Energy Star Kitchen promotes energy efficiency by utilizing the brand recognition of the Energy Star label as a means to visually promote our customers to purchase appliances with the highest energy ratings.

Lastly, FPU also engaged in creating the Energy Star kitchen as a means to communicate to our customer that FPU has officially become a member of the joint venture between the Environmental Protection Agency and the Department of Energy's Energy Star program.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080004-GU EXHIBIT 19  
COMPANY FL Public Utilities Co. (Rebuttal)  
WITNESS Marc S. Seagrave (MSS-3)  
DATE 11-04-08

DOCUMENT NUMBER-DATE

06952 AUG-7 08

FPSC-COMMISSION CLERK

**AUDIT FINDING NO. 2**

**SUBJECT: CAR WRAP**

**AUDIT ANALYSIS:** Florida Public Utilities paid \$6,549.75 to Signs for Tomorrow for a car wrap around two Chevy Trucks used in the electric divisions. The wrap advertises the conservation programs. The invoice was charged 46% to gas and 54% to electric divisions. According to a company representative the costs should be 100% electric.

**EFFECT ON GENERAL LEDGER:** The following entry should be made to the ledger but not included in next years filing costs:

114.4010.909-Marianna Conservation Advertising	\$1,506.45	\$	
115.4010.909-Fernandina Conservation Advertising	1,506.44		
121.4010.909 West Palm Cons. Advertising			1,506.45
123.4010.909 Brevard Conservation Advertising			1,506.45

**EFFECT ON FILING:** Gas costs should be decreased by \$3,012.89 and interest of \$112 for a total increase to the over-recovery of \$3,125.

**FPU's Response:**

FPU agrees with the recommendations in Audit Finding No. 2 and will implement the changes of increasing Electric Costs to \$3,123. This expense was incorrectly divided between Natural Gas and Electric Conservation; the correction will result in a 100% expense to Electric conservation and a credit to Natural Gas conservation of \$3,123.



**AUDIT FINDING NO. 3**

**SUBJECT: ENTERTAINMENT AND SPOUSE EXPENSES**

**AUDIT ANALYSIS:** A company employee was reimbursed for expenses for a Builder Development Conference in Bonita Beach in May of 2007. The expense included entertainment costs of \$1,011.96 for employees and a builder and his wife. These costs were charged to account 121.4010.907-West Palm Beach Supervision expenses.

In June 2007, \$1,875 was paid to the SGA Builders and Developers Conference for registration for spouses and an Eco Tour for both the spouses and the participants. One of the registrations paid was for a developer and his wife.

According to the utility representative, "spouses of the builders and developers are invited and are encouraged to participate in all meetings, social events and educational seminars. The thought process behind inviting the spouses is based on the theory that if you convince the spouse, they too will encourage the use of natural gas and will want to attend future events. It is vital that the industry reach out to and educate the decision makers that will impact future expansion of natural gas."

"To balance out the networking and social interaction, FPU and other participating companies invite their spouses as well to attend and to assist with the marketing of natural gas and the conservation programs under which we provide incentives in the form of rebates and services."

**EFFECT ON GENERAL LEDGER:** This finding is reported for informational purposes.

**EFFECT ON FILING:** This finding is reported for informational purposes.

**FPU's Response:**

FPU participates on the residential marketing committee of the Southern Gas Association. As a member of the committee, FPU assists in the planning for the event and the content to which the natural gas industry intends for the builder/developer audience to hear and learn from. Much of the SGA builder and developer conference is centered on the benefits of natural gas to the consumer, much of which encourages construction methods that incorporate the use of natural gas a domestically produced energy source that when used conserves electric generation and the fuel source of that generation.

The conference also serves as a platform for builders and developers to network with each other and to make the necessary contacts in the natural gas industry so that they can learn more about constructing homes with natural gas and the conservation rebate programs that

are available to them. The attendees are encouraged to bring their spouses along so that they too can be part of the education and decision making process.

FPU attendees also bring along spouses so as to balance out the interaction and networking. There are social events planned at each conference for the participants to attend so that they are able to get to know one another on a more personal business. The social activities have long proven to help in the process of getting the natural gas message across and bring the business parties together in a less structured environment.

**AUDIT FINDING NO. 4**

**SUBJECT: INTEREST RATES**

**AUDIT ANALYSIS:** Florida Public Utilities did not use the correct Wall Street Journal Interest Rates. This error resulted in an understatement of the over-recovery of \$1,004. The attached schedule details the difference with the new rates.

**EFFECT ON GENERAL LEDGER:** The true up account needs to be credited with the \$1,004 of interest.

**EFFECT ON FILING:** Interest expense should be decreased by \$1,004.

**FPU's Response:**

FPU agrees that we the incorrect Wall Street Journal Interest rates were used, which did in fact lead to an over-recovery \$1,004. FPU will credit the True-Up account with \$1,004 of interest, and decrease NG expenses by \$1,004.