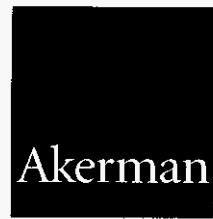


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September 13, 2010

VIA HAND DELIVERY

Ms. Ann Cole
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 100004-GU – Natural Gas Conservation Cost Recovery Clause.

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of Florida Public Utilities Company's Petition for Approval of Conservation Cost Recovery Factors and the Direct Testimony and Exhibit JVH-1 of Mr. Jason Van Hoffman.

Your assistance in this matter is greatly appreciated.

Sincerely,

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

DOCUMENT NUMBER DATE

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{TL257186;1}Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery)
_____)

Docket No. 100004-GU
Filed: September 13, 2010

PETITION OF THE FLORIDA PUBLIC UTILITIES COMPANY
FOR APPROVAL OF
CONSERVATION COST RECOVERY FACTORS

FLORIDA PUBLIC UTILITIES COMPANY (the Company), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its Energy Conservation Cost Recovery Adjustment factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2011 and December 31, 2011. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, Florida 33402

2. The name and address of the person authorized to receive notices and communications in respect to this docket is:

Beth Keating, Esquire
Akerman Senterfitt
106 E. College Ave., Suite 1200
Tallahassee, Florida 32301
(Ph) 850-224-9634
(Fax) 850-222-0103

Attorneys for Florida Public Utilities Company

3. The Energy Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the

Commission. The factors are designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2011 through December 31, 2011, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2010 through December 31, 2010), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Jason Van Hoffman.

4. The Company projects total energy conservation program expenses of \$2,651,758 for the period January 2011 through December 2011. The projected net true-up is an over-recovery of \$391,543. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$2,260,215 remains to be recovered during the period January 1, 2011 through December 31, 2011. Dividing this total among the Company's rate classes and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following Energy Conservation Cost Recovery Adjustment factors for which the Company seeks approval in this petition.

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
Residential	\$0.05742
General Service & GS Transportation	\$0.04234
LV Service & LV Transportation <50,000	\$0.03800
LV Transportation >50,000	\$0.03800

WHEREFORE, THE FLORIDA PUBLIC UTILITIES COMPANY asks that the Commission grant this petition, and approve the above Energy Conservation Cost Recovery Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2011 and December 31, 2011, inclusive.

RESPECTFULLY submitted this 13th day of September 2010.



Beth Keating, Esquire
Akerman Senterfitt
106 E. College Ave., Suite 1200
Tallahassee, Florida 32301
(Ph) 850-224-9634
(Fax) 850-222-0103

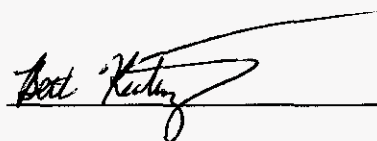
*Attorneys for Florida Public Utilities
Company*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Public Utilities Company, along with the supporting Direct Testimony of Mr. Jason Van Hoffman and Exhibit JVH-1, on behalf of the Florida Public Utilities Company, has been furnished by U.S. Mail to the following parties of record this 13th day of September, 2010:

Florida Public Utilities Company Tom Geoffroy 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 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/David Weaver Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 933 East 25 th Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	FPUC/Indiantown Division Tom Geoffroy P.O. Box 3395 West Palm Beach, FL 33402-3395
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	Robert Scheffel Wright/ John T. LaVia 225 South Adams Street, Suit 200 Tallahassee, FL 32301



Beth Keating
Akerman Senterfitt Attorneys at Law
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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 100004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
Jason Van Hoffman
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

12 Q. Please state your name and business address.

13 A. Jason Van Hoffman. My business address is 401 South
14 Dixie Highway, 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 as
17 Energy Conservation Manager.

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

19 A. To advise the Commission as to the Conservation Cost
20 Recovery Clause Calculation for the period January
21 2011 through December 2011.

22 Q. What are the total projected costs for the period
23 January 2011 through December 2011 in the
24 Consolidated Natural Gas Division?

25 A. The total projected Conservation Program Costs are
26 \$2,651,758. Please see Schedule C-2, page 2, for
27 the programmatic and functional breakdown of these
28 total costs.

29 Q. What is the true-up for the period January 2010
30 through December 2010?

31 A. As reflected in the Schedule C-3, Page 4 of 5, the true-up amount is \$0.00.

07647 SEP 13 2011

1 True-up amount for the Consolidated Natural Gas
2 Division is an over-recovery of \$391,543.

3 Q. What are the resulting net total projected
4 conservation costs to be recovered during this
5 projection period?

6 A. The total costs to be recovered are \$2,260,215.

7 Q. What is the Conservation Adjustment Factor necessary
8 to recover these projected net total costs?

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

11 Residential \$.05742

12 General Service and

13 GS Transportation \$.04234

14 Large Volume Service and

15 LV Transportation <50,000 \$.03800

16 Large Volume Transportation

17 Service >50,000 \$.03800

18 Q. Are there any exhibits that you wish to sponsor in
19 this proceeding?

20 A. Yes. I wish to sponsor as Exhibits Schedules C1,
21 C-2, C-3, and C-5 (Composite Prehearing
22 Identification Number JVH-1), which have been filed
23 with this testimony.

1 Q. Does this conclude your testimony?

2 A. Yes.

DOCKET NO. 100004-GU

Exhibit No. _____ (JVH-1)

on behalf of

Florida Public Utilities Company

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2011 THROUGH DECEMBER 2011

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,651,758
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(391,543)
3. TOTAL (LINE 1 AND LINE 2)	2,260,215

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	47,014	11,890,000	517,154	5,924,549	6,441,703	679,348	10.54609%	0.05714	1.00503	0.05742
COMMERCIAL SMALL (General Service & GS Transportation)	3,257	8,037,000	65,140	3,145,360	3,210,500	338,582	10.54609%	0.04213	1.00503	0.04234
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	1,763	32,859,000	158,670	11,620,914	11,779,584	1,242,284	10.54609%	0.03781	1.00503	0.03800
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	10.54609%	0.03781	1.00503	0.03800
TOTAL	52,034	52,786,000	740,964	20,690,823	21,431,787	2,260,215				

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 1 OF 17

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
1 Full House Residential New Construction	25,715	25,715	25,715	25,715	25,715	25,715	25,715	25,715	25,715	25,715	25,715	25,714	308,579
2 Resid. Appliance Replacement	30,406	30,406	30,406	30,406	30,406	30,406	30,406	30,406	30,406	30,406	30,406	30,400	364,866
3 Conservation Education	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	187,800
4 Space Conditioning	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Residential Conservation Service	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,121	49,518
6 Residential Appliance Retention	44,384	44,384	44,384	44,384	44,384	44,384	44,384	44,384	44,384	44,384	44,384	44,379	532,603
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	3,057	3,057	3,057	3,057	3,057	3,057	3,057	3,057	3,057	3,057	3,057	3,062	36,689
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	582	582	582	582	582	582	582	582	582	582	582	577	6,979
14 Common	97,060	97,060	97,060	97,060	97,060	97,060	97,060	97,060	97,060	97,060	97,060	97,064	1,164,724
TOTAL ALL PROGRAMS	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,967	2,651,758

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 2 OF 17

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	29,568	2,568	27,909	220,478	15,070	1,391	11,595	308,579
2 Resid. Appliance Replacement	0	77,138	3,390	103,173	152,420	15,070	2,813	10,862	364,866
3 Conservation Education	0	4,095	3,244	55,195	0	124,014	0	1,252	187,800
4 Space Conditioning	0	0	0	0	0	0	0	0	0
5 Residential Conservation Service	0	7,339	3,635	25,567	0	6,950	1,501	4,526	49,518
6 Residential Appliance Retention	0	55,646	2,098	129,969	334,269	0	2,144	8,477	532,603
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	0	7,830	1,526	15,433	0	8,034	2,507	1,359	36,689
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	0	0	0	5,365	1,614	0	0	0	6,979
14 Common	0	375,937	37,907	413,509	0	265,078	43,061	29,232	1,164,724
PROGRAM COSTS	0	557,553	54,368	776,120	708,781	434,216	53,417	67,303	2,651,758

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 3 OF 17

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2010 THROUGH JULY 2010; ESTIMATED AUGUST 2010 THROUGH DECEMBER 2010

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL	0	20,489	73	8,358	158,414	343	548	4,250	192,475
B. ESTIMATED	0	8,570	170	9,130	66,870	370	1,410	6,919	93,439
C. TOTAL	0	29,059	243	17,488	225,284	713	1,958	11,169	285,914
2 Resid. Appliance Replacement									
A. ACTUAL	0	58,714	99	54,431	80,350	1,100	1,223	1,069	196,986
B. ESTIMATED	0	18,390	580	42,160	51,010	0	1,170	6,186	119,496
C. TOTAL	0	77,104	679	96,591	131,360	1,100	2,393	7,255	316,482
3 Conservation Education									
A. ACTUAL	0	4,661	1,723	35,651	0	0	0	0	42,035
B. ESTIMATED	0	40	690	9,250	0	0	0	423	10,403
C. TOTAL	0	4,701	2,413	44,901	0	0	0	423	52,438
4 Space Conditioning									
A. ACTUAL	0	7,124	0	0	0	0	254	0	7,378
B. ESTIMATED	0	7,181	0	0	0	0	550	0	7,731
C. TOTAL	0	14,305	0	0	0	0	804	0	15,109
5 Residential Conservation Service									
A. ACTUAL	0	609	416	15,818	0	400	300	1,676	19,219
B. ESTIMATED	0	560	140	2,810	0	0	0	1,304	4,814
C. TOTAL	0	1,169	556	18,628	0	400	300	2,980	24,033
6 Residential Appliance Retention									
A. ACTUAL	0	17,864	0	49,125	185,848	0	847	1,062	254,746
B. ESTIMATED	0	35,270	460	65,820	147,610	0	1,940	6,441	257,541
C. TOTAL	0	53,134	460	114,945	333,458	0	2,787	7,503	512,287
SUB-TOTAL	0	179,472	4,351	292,553	690,102	2,213	8,242	29,330	1,206,263

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 4 OF 17

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2010 THROUGH JULY 2010; ESTIMATED AUGUST 2010 THROUGH DECEMBER 2010

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	179,472	4,351	292,553	690,102	2,213	8,242	29,330	1,206,263
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	3,431	594	2,607	0	5,376	245	0	12,253
B. ESTIMATED	0	2,010	0	7,260	0	3,350	1,040	1,405	15,065
C. TOTAL	0	5,441	594	9,867	0	8,726	1,285	1,405	27,318
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	0	0	3,838	1,050	0	0	0	4,888
B. ESTIMATED	0	0	0	60	80	0	0	10	150
C. TOTAL	0	0	0	3,898	1,130	0	0	10	5,038
14 Common									
A. ACTUAL	0	149,326	6,679	99,626	0	11,644	12,673	17,783	297,731
B. ESTIMATED	0	218,720	1,210	95,840	0	40	13,890	8,017	337,717
C. TOTAL	0	368,046	7,889	195,466	0	11,684	26,563	25,800	635,448
TOTAL	0	552,959	12,834	501,784	691,232	22,623	36,090	56,545	1,874,067

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 5 OF 17

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
ACTUAL JANUARY 2010 THROUGH JULY 2010; ESTIMATED AUGUST 2010 THROUGH DECEMBER 2010

PROGRAM NAME	----- ACTUAL -----							--- PROJECTION ---					TOTAL
	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	
Full House Residential New Construction	5,471	13,713	98,332	8,012	18,552	29,271	19,124	18,687	18,687	18,687	18,687	18,691	285,914
Resid. Appliance Replacement	24,415	19,543	21,427	31,762	37,103	38,229	24,507	23,900	23,900	23,900	23,900	23,896	316,482
Conservation Education	2,171	1,650	7,425	11,581	2,590	9,665	6,953	2,080	2,080	2,080	2,080	2,083	52,438
Space Conditioning	791	783	963	754	1,488	1,455	1,144	1,546	1,546	1,546	1,546	1,547	15,109
Residential Conservation Service	1,348	500	4,269	7,917	1,654	1,095	2,436	963	963	963	963	962	24,033
Residential Appliance Retention	33,759	25,453	34,954	46,682	40,588	36,576	36,734	51,509	51,509	51,509	51,509	51,505	512,287
Dealer / Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Conservation Service	5,490	488	646	252	556	1,929	2,892	3,014	3,014	3,014	3,014	3,009	27,318
Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Service Reactivation	20	350	3,636	235	0	647	0	29	29	29	29	34	5,038
Common	38,936	33,558	49,357	37,199	45,773	36,548	56,360	67,544	67,544	67,544	67,544	67,541	635,448
TOTAL ALL PROGRAMS	112,401	96,038	221,009	144,394	148,304	155,415	150,150	169,272	169,272	169,272	169,272	169,268	1,874,067

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(JVH-1)
PAGE 6 OF 17

ENERGY CONSERVATION ADJUSTMENT
ACTUAL JANUARY 2010 THROUGH JULY 2010; ESTIMATED AUGUST 2010 THROUGH DECEMBER 2010

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010			
CONSERVATION REVS.															
RCS AUDIT FEES	0	0	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	0	0
b.	0	0	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	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(222,455)	(199,880)	(212,627)	(174,250)	(137,726)	(109,344)	(101,034)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(1,815,821)
TOTAL REVENUES	(222,455)	(199,880)	(212,627)	(174,250)	(137,726)	(109,344)	(101,034)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(131,701)	(1,815,821)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(37,353)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(37,358)	(448,291)
CONSERVATION REVS. APPLIC. TO PERIOD	(259,808)	(237,238)	(249,985)	(211,608)	(175,084)	(146,702)	(138,392)	(169,059)	(169,059)	(169,059)	(169,059)	(169,059)	(169,059)	(169,059)	(2,264,112)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	112,401	96,038	221,009	144,394	148,304	155,415	160,160	169,272	169,272	169,272	169,272	169,272	169,268	169,268	1,874,067
TRUE-UP THIS PERIOD	(147,407)	(141,200)	(28,976)	(67,214)	(26,780)	8,713	11,758	213	213	213	213	213	209	209	(390,045)
INTEREST THIS PERIOD (C-3, PAGE 5)	(84)	(104)	(115)	(123)	(161)	(187)	(158)	(131)	(122)	(113)	(104)	(96)	(96)	(96)	(1,498)
TRUE-UP & INT. BEG. OF MONTH	(448,291)	(558,429)	(662,375)	(654,108)	(684,087)	(673,670)	(627,786)	(578,828)	(541,388)	(503,939)	(466,481)	(429,014)	(429,014)	(429,014)	(448,291)
PRIOR TRUE-UP COLLECT. (REFUND.)	37,353	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	37,358	448,291
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	(558,429)	(662,375)	(654,108)	(684,087)	(673,670)	(627,786)	(578,828)	(541,388)	(503,939)	(466,481)	(429,014)	(391,543)	(391,543)	(391,543)	(391,543)

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2010 THROUGH JULY 2010; ESTIMATED AUGUST 2010 THROUGH DECEMBER 2010

	----- ACTUAL -----							--- PROJECTION ---					TOTAL
	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	
INTEREST PROVISION													
BEGINNING TRUE-UP	(448,291)	(558,429)	(662,375)	(654,108)	(684,087)	(673,670)	(627,786)	(578,828)	(541,388)	(503,939)	(466,481)	(429,014)	
END. T-UP BEFORE INT.	(558,345)	(662,271)	(653,993)	(683,964)	(673,509)	(627,599)	(578,670)	(541,257)	(503,817)	(466,368)	(428,910)	(391,447)	
TOT. BEG & END. T-UP	(1,006,636)	(1,220,700)	(1,316,368)	(1,338,073)	(1,357,596)	(1,301,269)	(1,206,457)	(1,120,086)	(1,045,206)	(970,308)	(895,392)	(820,462)	
AVERAGE TRUE-UP	(503,318)	(610,350)	(658,184)	(669,036)	(678,798)	(650,635)	(603,228)	(560,043)	(522,603)	(485,154)	(447,696)	(410,231)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.20%	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.28%	0.28%	0.28%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
TOTAL	0.40%	0.41%	0.42%	0.44%	0.57%	0.69%	0.63%	0.56%	0.56%	0.56%	0.56%	0.56%	
AVG INTEREST RATE	0.20%	0.21%	0.21%	0.22%	0.29%	0.35%	0.32%	0.28%	0.28%	0.28%	0.28%	0.28%	
MONTHLY AVG. RATE	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	
INTEREST PROVISION	(\$84)	(\$104)	(\$115)	(\$123)	(\$161)	(\$187)	(\$158)	(\$131)	(\$122)	(\$113)	(\$104)	(\$96)	(\$1,498)

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

**SCHEDULE C-5
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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

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PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$500
Tank Water Heater	\$350
High Eff. Tank Water Heater	\$400
Range	\$150
Dryer	\$100
Tankless	\$550

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 350 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 2011, FPUC estimates expenses of \$ 308,579.

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, 2010, FPUC has connected 2,977 single- and multi-family homes to its natural gas system.

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PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$725
Tank Water Heater	\$500
High Eff. Tank Water Heater	\$550
Range	\$200
Dryer	\$150
Tankless	\$675

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, 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 2011, FPUC estimates expenses of \$364,866

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, 2010, FPUC has connected 2,898 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$500
Tank Water Heater	\$350
High Eff. Tank Water Heater	\$400
Range	\$100
Dryer	\$100
Tankless	\$550

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 960 appliances will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$532,603.

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, 2010, FPUC has retained 5,902 natural gas appliances connected to its distributions system.

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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, 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 2011, FPUC estimates expenses of \$ 6,979

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, 2009 FPUC has reactivated 3 customers with water heaters to its distributions system.

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PROGRAM TITLE:

Residential Conservation Service Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 45 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$49,518.

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, 2010, 241 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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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 2011, FPUC estimates that 34 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$36,689.

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, 2010, 127 commercial customers have participated.

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PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

For the twelve-month period of January to December 2011, FPUC estimates that 35 adult and youth presentations with 600 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2011, FPUC estimates expenses of \$187,800

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, 2010, FPUC has given 121 adult and youth educational presentations.

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PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 2 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$20,835.

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, 2010, FPUC has connected 8 space conditioning projects to its natural gas system.

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