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January 13, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. 980002-EG

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the following documents:


1. Original and fifteen copies of Petition for Approval of Florida Public Utilities Company's Conservation Cost Recovery Factors;

2. Original and fifteen copies of the Direct Testimony of Michael A. Peacock, and

3. Original and fifteen copies of the Composite Exhibit MAP-1.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me. Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

KAH/rl

cc: All Parties of Record

Petition
DOCUMENT NUMBER-DATE

00669 JAN 13 98

FPSC-RECORDS/REPORTING

Test Peacock
DOCUMENT NUMBER-DATE

00670 JAN 13 98

FPSC-RECORDS/REPORTING

ACK _____
AFA _____
APP _____
CFE _____
CMU _____
CTR _____
EIS _____
LER _____
LPS _____
OPS _____
RFP _____
SEL _____
WAS _____
OTH _____

ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
MICHAEL A. PEACOCK
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Michael A. Peacock: my business address is P.O.
- 3 Box 610 Marianna, Florida 32446.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities
- 6 Company as Manager of Customer Relations.
- 7 Q. What is the purpose of your testimony at this
- 8 time?
- 9 A. To Advise the Commission as to the Conservation
- 10 Cost Recover Clause Calculation for the period
- 11 April 1998 through March, 1999.
- 12 Q. What respectively are the total projected costs
- 13 for the period April, 1998 through March, 1999
- 14 in the Marianna Division and the Fernandina
- 15 Beach Division?
- 16 A. For the Marianna Division, the total projected
- 17 Conservation Program Costs are \$96,000. For the
- 18 Fernandina Beach Division, the total projected
- 19 Conservation Program Costs are \$92,400. For

1 each Division, please see its respective
2 Schedule C-2, page 2, for the programmatic and
3 functional breakdown of these total costs.

4 Q. For each division, what is the true-up amount to
5 be applied to determine the projected net total
6 costs for the period October, 1997 through
7 September, 1998.

8 A. As reflected in the respective "C" Schedules,
9 the true-up amount for the Marianna Division is
10 \$9,652. In the Fernandina Beach Division the
11 true-up is (\$8,575). These amounts are based
12 upon two months actual and ten months estimated
13 data.

14 Q. For each division, what are the resulting net
15 total projected conservation costs to be
16 recovered during this period?

17 A. For the Marianna Division the net total costs
18 to be recovered are \$105,652. For the
19 Fernandina Beach Division the net total costs
20 to be recovered are \$83,825.

21 Q. For each division, what is the Conservation
22 Adjustment Factor necessary to recover these
23 projected net total costs?

24 A. For the Marianna Division, the Conservation
25 Adjustment Factor is \$.00038 per KWH. For the
26 Fernandina Beach Division, the factor is

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\$.00024 per KWH.

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

A. Yes. I wish to sponsor as exhibits for each division Schedules C-1, C-2, C-3, C-4, and C-5 (Composite Prehearing Identification Number MAP-1), which have been filed with this testimony.

Q. Does this conclude your testimony?

A. Yes

conservation disk/peactest.1297)

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS April-98 THROUGH March-99

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>95,700</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>9,652</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>105,652</u>
4.	RETAIL KWH/THERM SALES	<u>280,569,000</u>
5.	COST PER KWH/THERM	<u>0.00037656</u>
6.	REVENUE TAX MULTIPLIER	<u>1.00083</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00037688</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.00038</u>

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS October-98 THROUGH March-99

A. ESTIMATED EXPENSE BY PROGRAM	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. In Concert with the Environment	1,300	1,200	1,200	1,200	1,200	1,200	7,300
2. Direct Leakage Repair	1,000	900	900	900	900	900	5,500
3. Residential Geothermal Heat Pump	700	800	800	800	800	800	4,500
4. Residential Energy Audits	2,200	2,300	2,300	2,300	2,300	2,100	13,500
5. Low Income Customer Energy Audits	900	800	800	800	800	900	5,000
6. FPU Express	1,000	1,100	1,100	1,100	1,100	1,000	6,400
7. Enhanced Good Cents Home	2,300	2,300	2,300	2,300	2,300	2,200	13,700
8. Commercial/Industrial Good Cents Building	1,300	1,200	1,200	1,200	1,200	1,200	7,300
9. Commercial/Industrial Energy Audits & Tech. Assit.	1,400	1,500	1,500	1,500	1,500	1,400	8,800
10. Common	4,000	4,000	4,000	4,000	4,000	4,000	24,000
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
31. TOTAL ALL PROGRAMS	16,100	16,100	16,100	16,100	16,100	15,500	96,000
32. LESS AMOUNT INCLUDED IN RATE BASE							
33. RECOVERABLE CONSERVATION EXPENSES	16,100	16,100	16,100	16,100	16,100	15,500	96,000

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS October-98 THROUGH March-99

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.			INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Contact with the Environment	1,000		0	0	0	300	6,000	0	0	0	0	0	0	0	7,300		7,300
2. Direct Leakage Repair	1,200		1,000	0	1,000	500	800	0	0	0	500	0	0	0	3,500		3,500
3. Residential Geothermal Heat Pump	900		500	0	500	500	800	300	0	0	500	0	0	0	4,500		4,500
4. Residential Energy Audits	4,200		5,000	0	0	500	800	2,000	0	0	500	0	0	0	13,500		13,500
5. Low Income Customer Energy Audits	900		1,000	0	500	500	800	0	0	0	500	0	0	0	5,000		5,000
6. FPU Express	1,300		1,500	0	1,000	500	800	0	0	0	300	0	0	0	6,400		6,400
7. Enhanced Good Cents Home	4,200		3,000	0	1,500	500	800	2,500	0	0	500	0	0	0	13,700		13,700
8. Commercial/Industrial Good Cents Building	1,500		1,000	0	1,000	500	800	1,000	0	0	500	0	0	0	7,500		7,500
9. Commercial/Industrial Energy Audits & Tech. Assi	1,500		1,000	0	2,500	500	800	1,000	0	0	500	0	0	0	8,800		8,800
10. Common	19,200		0	3,000	0	1,800	0	0	0	0	0	0	0	0	24,000		24,000
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
31. TOTAL ALL PROGRAMS	35,900		14,000	3,000	8,000	6,100	12,100	8,800	3,800	0	6,300	0	0	0	96,000		96,000
32. LESS BASE RATE RECOVERY																	
33. NET PROGRAM COSTS	35,900		14,000	3,000	8,000	6,100	12,100	8,800	3,800	0	6,300	0	0	0	96,000		96,000

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 ESTIMATED FOR MONTHS October-98 THROUGH March-99

SCHEDULE C-2
 PAGE 3 OF 3

PROGRAM NAME:

	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. INVESTMENT								
2. DEPRECIATION BASE								
3. DEPRECIATION EXPENSE								
4. CUMULATIVE INVESTMENT								
5. LESS ACCUMULATED DEPRECIATION								
6. NET INVESTMENT								
7. AVERAGE NET INVESTMENT								
8. RETURN ON AVERAGE INVESTMENT								
9. EXPANSION FACTOR								
10. RETURN REQUIREMENTS								
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT								NONE

EXHIBIT NO _____
 DOCKET NO 980002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 4 OF 44

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARUANA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS: October-87 THROUGH November-87
ESTIMATED FOR MONTHS: December-87 THROUGH September-88

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.			INCENTIVES	OTHER	SUB-TOTAL	PROGRAM REVENUES	TOTAL
	ACTUAL	ESTIMATED					ACTUAL	ESTIMATED		ACTUAL	ESTIMATED	ACTUAL					
1. In Concert with the Environment																	
A. ACTUAL	186	0	0	0	2,195	0	0	0	9	0	0	0	0	0	2,390	0	2,390
B. ESTIMATED	1,800	0	0	0	8,600	600	6,000	0	0	0	0	0	0	0	14,800	0	14,800
C. TOTAL	1,716	0	0	0	8,795	600	6,000	9	0	0	0	0	0	0	17,190	0	17,190
2. Direct Leakage Repair																	
A. ACTUAL	484	786	0	0	0	0	0	0	0	0	0	0	0	0	1,250	0	1,250
B. ESTIMATED	1,800	1,300	0	0	2,300	800	1,100	0	0	500	0	0	0	0	8,700	0	8,700
C. TOTAL	2,284	2,086	0	0	2,300	800	1,100	0	0	500	0	0	0	0	9,950	0	9,950
3. Residential Geothermal Heat Pump																	
A. ACTUAL	484	0	0	0	0	0	0	0	0	0	0	0	0	0	484	0	484
B. ESTIMATED	1,800	800	0	0	1,600	800	1,100	800	700	0	0	0	0	0	8,600	0	8,600
C. TOTAL	2,284	800	0	0	1,600	800	1,100	800	700	0	0	0	0	0	9,084	0	9,084
4. Residential Energy Audits																	
A. ACTUAL	532	371	0	0	0	0	0	0	118	0	0	0	0	0	1,019	0	1,019
B. ESTIMATED	6,500	7,700	0	0	0	800	1,100	2,300	700	0	0	0	0	0	20,300	0	20,300
C. TOTAL	7,032	8,071	0	0	0	800	1,100	2,418	700	0	0	0	0	0	21,319	0	21,319
5. Low Income Customer Energy Audits																	
A. ACTUAL	316	0	0	0	0	0	0	0	0	0	0	0	0	0	316	0	316
B. ESTIMATED	1,600	1,700	0	0	800	800	1,100	0	700	0	0	0	0	0	8,800	0	8,800
C. TOTAL	1,916	1,700	0	0	800	800	1,100	0	700	0	0	0	0	0	9,116	0	9,116
SUB-TOTAL ACTUAL	2,000	1,137	0	0	2,195	3,800	10,400	0	127	0	0	0	0	0	5,459	0	5,459
SUB-TOTAL ESTIMATED	13,300	11,900	0	0	11,300	3,800	10,400	2,800	2,800	0	0	0	0	0	61,000	0	61,000

LESS: INCLUDED IN RATE BASE
ACTUAL
ESTIMATED
TOTAL

SEE PAGE 1A

NET PROGRAM COSTS

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
October-97 THROUGH November-97
December-97 THROUGH September-98

PROGRAM NAME	LABOR		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS		TRAVEL	GENERAL		OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	PAYROLL	ADVERTISING				SUPPLIES	ADMIN		INCENTIVES					
6														
FRU Expenses	484	700	0	0	0	0	0	78	0	0	0	1,262	0	1,262
A. ACTUAL	3,003	2,200	0	1,700	800	1,100	0	0	500	0	2,100	11,400	0	11,400
B. ESTIMATED	3,484	2,900	0	1,700	800	1,100	0	78	500	0	2,100	12,662	0	12,662
C. TOTAL														
7														
Enhanced Gold Cards Home	438	628	0	78	0	0	0	(323)	17	0	0	808	0	808
A. ACTUAL	6,900	4,700	0	2,500	800	1,800	3,200	0	700	0	2,100	22,700	0	22,700
B. ESTIMATED	7,338	5,328	0	2,578	800	1,800	2,847	0	717	0	2,100	23,508	0	23,508
C. TOTAL														
8														
Commercial/Industrial Guest Cams Building	372	152	0	0	0	0	0	0	0	0	0	474	0	474
A. ACTUAL	2,000	1,500	0	1,700	800	1,100	1,700	0	700	0	1,700	11,200	0	11,200
B. ESTIMATED	2,372	1,802	0	1,700	800	1,100	1,700	0	700	0	1,700	11,674	0	11,674
C. TOTAL														
9														
Commercial/Industrial Energy Audits & Tech. Assst	328	0	0	44	0	0	0	208	0	0	0	578	0	578
A. ACTUAL	2,300	1,500	0	4,100	800	1,100	1,700	700	0	2,100	0	14,200	0	14,200
B. ESTIMATED	2,628	1,800	0	4,144	800	1,100	1,808	700	0	2,100	0	14,878	0	14,878
C. TOTAL														
10														
Common	4,351	0	305	0	1,840	459	0	601	0	(1,170)	0	6,186	0	6,186
A. ACTUAL	31,700	0	4,700	0	2,800	0	0	300	0	28,700	0	28,500	0	28,500
B. ESTIMATED	36,051	0	5,075	0	4,540	408	0	601	0	(1,170)	0	45,600	0	45,600
C. TOTAL														
TOTAL ACTUAL	7,871	2,567	305	2,317	1,840	459	80	618	0	(1,170)	0	14,767	0	14,767
TOTAL ESTIMATED	59,200	21,450	4,700	21,300	9,900	15,500	9,500	5,400	0	13,200	0	180,100	0	180,100
LESS INCLUDED IN RATE BASE														
ACTUAL														
ESTIMATED														
TOTAL														
NET PROGRAM COSTS	67,171	23,967	5,005	23,917	11,540	15,959	9,500	6,018	0	12,030	0	174,867	0	174,867

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIONNA
SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

ACTUAL FOR MONTHS: October-97 THROUGH November-97
ESTIMATED FOR MONTHS: December-97 THROUGH September-98

	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
October-87 THROUGH November-87
December-87 THROUGH September-88

A. ESTIMATED EXPENSE BY PROGRAM	ESTIMATED												TOTAL ESTIMATED	GRAND TOTAL	
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER			
1. In Concert with the Environment	1,761	629	1,800	1,900	1,900	1,900	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,800	17,100
2. Direct Leakage Repair	993	237	800	800	800	900	900	900	900	900	900	900	900	8,700	9,900
3. Residential Geothermal Heat Pump	305	179	1,000	1,000	1,000	800	800	800	800	800	800	800	800	8,600	9,004
4. Residential Energy Audits	741	278	1,800	1,700	1,800	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	20,300	21,319
5. Low Income Customer Energy Audits	303	113	1,000	1,000	1,000	800	800	800	800	800	800	800	800	8,800	8,916
6. FPU Expenses	473	789	1,200	1,200	1,200	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,400	12,662
7. Enhanced Good Cents Home	333	475	2,200	2,200	2,200	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	22,700	23,508
8. Commercial/Industrial Good Cents Building	237	237	1,000	1,000	1,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	11,200	11,674
9. Commercial/Industrial Energy Audits & Tech. A	247	331	1,300	1,300	1,300	1,400	1,500	1,500	1,500	1,500	1,500	1,500	1,500	14,300	14,876
10. Common	2,562	3,624	3,800	3,900	3,900	3,800	4,000	4,000	4,000	4,000	4,000	4,000	4,000	38,500	43,686
11.															
12.															
13.															
14.															
15.															
16.															
17.															
18.															
19.															
21. TOTAL ALL PROGRAMS	7,855	8,912	16,100	16,100	16,100	15,800	16,000	16,000	16,000	16,000	16,000	16,000	16,000	160,100	174,867
22. LESS AMOUNT INCLUDED IN RATE BASE															
23. RECOVERABLE CONSERVATION EXPENSES	7,855	8,912	16,100	16,100	16,100	15,800	16,000	16,000	16,000	16,000	16,000	16,000	16,000	160,100	174,867

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARJANNA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

ACTUAL FOR MONTHS: October-87 THROUGH November-87
ESTIMATED FOR MONTHS: December-87 THROUGH September-88

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
8. CONSERVATION REVENUES													
1. RCS AUDIT FEES													
a.													
b.													
c.													
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)	20,036	15,464	17,948	18,986	17,462	16,037	0	0	0	0	0	0	105,933
3. TOTAL REVENUES	20,036	15,464	17,948	18,986	17,462	16,037	0	0	0	0	0	0	105,933
4. PRIOR PERIOD TRUE-UP—ADJ NOT APPLICABLE TO PERIOD	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672	56,065
5. CONSERVATION REVENUES APPLICABLE TO PERIOD	24,708	20,136	22,620	23,658	22,134	20,709	4,672	4,672	4,672	4,672	4,672	4,672	161,998
6. CONSERVATION EXPENSES (FORM C-3, PAGE 3)	7,855	6,812	16,100	16,100	16,100	15,800	16,000	16,000	16,000	16,000	16,000	16,000	174,867
7. TRUE-UP THIS PERIOD	16,853	13,224	6,520	7,558	6,034	4,909	(11,328)	(11,328)	(11,328)	(11,328)	(11,328)	(11,327)	(12,869)
8. INTEREST PROVISION THIS PERIOD (C-3, PAGE 5)	246	338	366	378	390	396	361	288	214	141	67	(8)	3,217
9. TRUE-UP & INTEREST PROVISION	56,065	68,532	77,422	79,636	82,900	84,652	85,285	89,648	53,934	38,148	22,289	6,356	56,065
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(4,672)	(56,065)
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7, 8, 9, 10)	68,532	77,422	79,636	82,900	84,652	85,285	89,648	53,934	38,148	22,289	6,356	(9,652)	(9,652)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

ACTUAL FOR MONTHS: October-97 THROUGH November-97
ESTIMATED FOR MONTHS: December-97 THROUGH September-98

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	56,065	68,532	77,422	79,836	82,800	84,652	85,285	89,646	53,934	38,148	22,289	6,356	(9,652)
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	65,246	77,084	79,270	82,522	84,262	84,689	89,285	53,646	37,934	22,148	6,289	(9,644)	(12,859)
3. TOTAL BEG. AND ENDING TRUE-UP	124,311	145,616	156,692	162,358	167,062	169,341	174,570	123,292	91,868	60,296	28,578	(3,288)	(22,571)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	62,156	72,808	78,346	81,179	83,531	84,771	87,285	61,646	45,934	30,148	14,289	(1,644)	(11,281)
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	5.53%	5.53%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.53%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
7. TOTAL (LINE C-9 + C-6)	11.06%	11.13%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%
8. AVG INTEREST RATE (C-7 X 50%)	5.51%	5.57%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
9. MONTHLY AVERAGE INTEREST RATE	0.461%	0.464%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%
10. INTEREST PROVISION (LINE C-4 X C-8)	286	338	366	378	390	396	381	288	214	141	67	(6)	3,217

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD October-97 THROUGH March-99

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
OCTOBER	24,762	20,036	Actual
NOVEMBER	19,113	15,464	Actual
DECEMBER	22,173	17,948	0.080947
JANUARY	23,455	18,986	0.080947
FEBRUARY	21,572	17,462	0.080947
MARCH	19,812	16,037	0.080947
SUB-TOTAL	130,657	105,933	
APRIL	18,368	6,917	0.037656
MAY	20,168	7,594	0.037656
JUNE	25,607	9,643	0.037656
JULY	27,780	10,461	0.037656
AUGUST	28,669	10,796	0.037656
SEPTEMBER	28,311	10,661	0.037656
OCTOBER	22,665	8,535	0.037656
NOVEMBER	19,771	7,445	0.037656
DECEMBER	22,393	8,432	0.037656
JANUARY	24,324	9,159	0.037656
FEBRUARY	22,237	8,374	0.037656
MARCH	20,276	7,635	0.037656
SUB-TOTAL	280,569	105,652	
TOTALS	411,456	211,585	

EXHIBIT NO. _____
 DOCKET NO. 980002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 1 OF 10**

1. In Concert With the Environment
2. Duct Leakage Repair
3. Residential Geothermal Heat Pump
4. Residential Energy Audits
5. Low Income Customer Energy Audits
6. FPU Express
7. Enhanced Good Cents Home
8. Commercial/ Industrial Good Cents Building
9. Commercial/Industrial Energy Audits and Technical Assistance

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 2 OF 10**

PROGRAM TITLE : In Concert With the Environment

PROGRAM DESCRIPTION : In Concert With the Environment® is an environmental and energy awareness program that is being implemented in the 9th grade science classes in Florida Public Utilities Company's service area. The program will show students how everyday energy use impacts the environment and how using energy wisely increases environmental quality. In Concert With the Environment® is brought to students who are already making decisions which impact our country's energy supply and the environment. Wise energy use today can best be achieved by linking environmental benefits to wise energy-use activities and by educating both present and future consumers on how to live "in concert with the environment".

The "In Concert" program was designed for teachers and students from the ground up. "In Concert" comes complete with suggestions for implementation and evaluation, with quality materials designed to accentuate distinctive teaching styles. The program is flexible enough to be used as a stand-alone learning unit, or it can be integrated into existing lessons.

PROGRAM PROJECTIONS : For April 1998 through March 1999: The goal for the number of program participants for this period is 100.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for this period are \$14,600.

PROGRAM PROGRESS SUMMARY : This program was instituted for the first time at the beginning of the 1997 school year. We have received an enthusiastic response from both teachers and students during the first year and expect continued success.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 13 OF 42

PROGRAM TITLE : Duct Leakage Repair

PROGRAM DESCRIPTION : The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM PROJECTIONS : For April 1998 through March 1999: The goal for the number of program participants for this period is 14.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for this period are \$11,000.

PROGRAM PROGRESS SUMMARY : New staff is being trained to perform this service and plans have been made to purchase additional equipment. Contractors and HVAC dealers are being informed of the program with emphasis on the importance of their participation. This program is made part of a customer's Residential Energy Audit when applicable.

PROGRAM TITLE : Residential Geothermal Heat Pump

PROGRAM DESCRIPTION : The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM PROJECTIONS : For April 1998 through March 1999: FPUC intends to implement this program over an extended period of time, currently expected to be 5 years. At this time no participation goals have been set. FPUC will continue to educate consumers on geothermal technology and raise awareness of the availability, affordability, and improved customer satisfaction associated with these units.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for the period are \$9,000.

PROGRAM PROGRESS SUMMARY : FPUC program implementation includes promotion by means of advertising, education, training, low interest loans for existing home owners, and guaranteed heating and cooling costs for new and existing home owners who install these units.

PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION : The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 141.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$27,000.

PROGRAM PROGRESS : In order to meet the upcoming years goal, we will continue to educate customers regarding this program by utilizing media advertising and billing promotionals.

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 6 OF 10**

PROGRAM TITLE : *Low Income Customer Energy Audits*

PROGRAM DESCRIPTION : FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but base on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 20.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for this period are \$10,000.

PROGRAM PROGRESS SUMMARY : FPUC will work with Social Service Agencies to expand their roles in assisting and educating low income customers of the energy services FPUC offers as well as providing information concerning weatherization and energy management measures.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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PROGRAM TITLE : FPU Express Loan Program

PROGRAM DESCRIPTION : The objective of the FPU Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application once the customer decides to install the conservation features. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 10.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for the period are \$12,900.

PROGRAM PROGRESS SUMMARY : Implementation of this program occurred in late October due to elaborate contract negotiations and customer service training in loan procedures. FPUC will continue to utilize media advertising and contractor relationships to promote the program benefits to customers.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 8 OF 10**

PROGRAM TITLE : Enhanced Good Cents Home Program

PROGRAM DESCRIPTION : The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, centsable duct system, centsable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPU will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM PROJECTION : For April 1998 through March 1999 : The goal for the number of program participants for this period is 42.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for the period are \$27,500.

PROGRAM PROGRESS SUMMARY : Program emphasis is on contractor education and participation. In addition, FPUC will create promotional materials in order to enhance program understanding and participation.

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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PROGRAM TITLE : Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION : The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these areas that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cent Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 2.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999: Projected expenses for the period are \$14,500.

PROGRAM PROGRESS SUMMARY : New construction in the commercial/industrial area is not a common occurrence in FPUC's service area. We will continually work with contractors and architects in order to make this program a success.

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 10 OF 10**

PROGRAM TITLE : Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION : FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTION : For April 1998 through March 1999 : The goal for the number of program participants for this period is 12.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$17,500.

PROGRAM PROGRESS SUMMARY : FPUC has contracted with Gulf Power Company in order to provide commercial services to FPUC customers. Utilizing aggressive advertising and an intense customer education campaign FPUC expects continued success with this program.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS April-98 THROUGH March-99

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>92,400</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(8,575)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>83,825</u>
4.	RETAIL KWH/THERM SALES	<u>352,096,000</u>
5.	COST PER KWH/THERM	<u>0.00023807</u>
6.	REVENUE TAX MULTIPLIER	<u>1.01609</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00024190</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.00024</u>

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-1)
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ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS October-98 THROUGH March-99

A. ESTIMATED EXPENSE BY PROGRAM	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. In Concert with the Environment	1,100	1,200	1,200	1,200	1,200	1,100	7,000
2. Direct Leakage Repair	900	800	800	800	500	900	5,000
3. Residential Geothermal Heat Pump	800	800	800	800	800	800	4,800
4. Residential Energy Audits	1,900	1,800	1,800	1,800	1,800	1,800	10,900
5. Low Income Customer Energy Audits	1,000	900	900	900	900	1,000	5,600
6. FPU Express	1,000	1,000	1,000	1,000	1,000	1,000	6,000
7. Enhanced Good Cents Home	2,000	1,800	1,900	1,900	1,900	1,900	11,500
8. Commercial/Industrial Good Cents Building	1,200	1,200	1,200	1,200	1,200	1,100	7,100
9. Commercial/Industrial Energy Audits & Tech. Assit.	1,700	1,800	1,800	1,800	1,800	1,600	10,500
10. Common	4,000	4,000	4,000	4,000	4,000	4,000	24,000
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
31. TOTAL ALL PROGRAMS	15,600	15,400	15,400	15,400	15,400	15,200	92,400
32. LESS AMOUNT INCLUDED IN RATE BASE							
33. RECOVERABLE CONSERVATION EXPENSES	15,600	15,400	15,400	15,400	15,400	15,200	92,400

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS October-98 THROUGH March-99

PROGRAM NAME	LABOR & PATROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.			INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	500	800					6,000	800		0	300	0					
1. In Concert with the Environment	500	800	0	0	0	200	6,000	0	0	300	0	0	0	0	7,000	0	7,000
2. Direct Leakage Repair	800	500	0	0	1,000	400	800	500	0	300	0	0	0	600	5,000	0	5,000
3. Residential Geothermal Heat Pump	700	800	0	0	1,000	400	800	0	0	300	0	0	0	1,100	4,800	0	4,800
4. Residential Energy Audits	3,500	4,000	0	0	0	500	800	500	0	500	0	0	0	1,300	10,300	0	10,300
5. Low Income Customer Energy Audits	1,100	1,000	0	0	500	300	800	0	0	300	0	0	0	1,600	5,600	0	5,600
6. FPU Express	1,100	1,300	0	0	200	300	800	0	0	400	0	0	0	1,600	6,000	0	6,000
7. Enhanced Good Cents Home	3,500	2,500	0	0	1,500	500	500	1,000	0	400	0	0	0	1,800	11,500	0	11,500
8. Commercial/Industrial Good Cents Building	800	800	0	0	2,000	200	800	800	0	100	0	0	0	1,600	7,100	0	7,100
9. Commercial/Industrial Energy Audits & Tech. Ass	1,800	800	0	0	4,000	500	800	800	0	200	0	0	0	1,600	10,500	0	10,500
10. Common	19,200	0	0	3,000	0	1,800	0	0	0	0	0	0	0	0	24,000	0	24,000
11.																	
12.																	
13.																	
14.																	
15.																	
16.																	
17.																	
18.																	
19.																	
20.																	
31. TOTAL ALL PROGRAMS	33,100	11,400	3,000	3,000	10,500	5,100	12,100	3,600	2,800	2,800	0	0	0	10,800	92,400	0	92,400
32. LESS BASE RATE RECOVERY																	
33. NET PROGRAM COSTS	33,100	11,400	3,000	3,000	10,500	5,100	12,100	3,600	2,800	2,800	0	0	0	10,800	92,400	0	92,400

ORDER NO. 980302-EG
PROJECT NO. 980302-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MVP-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE C-2
PAGE 3 OF 3

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS October-98 THROUGH March-99

PROGRAM NAME:

	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. INVESTMENT								
2. DEPRECIATION BASE								
3. DEPRECIATION EXPENSE								
4. CUMULATIVE INVESTMENT								
5. LESS: ACCUMULATED DEPRECIATION								
6. NET INVESTMENT								
7. AVERAGE NET INVESTMENT								
8. RETURN ON AVERAGE INVESTMENT								
9. EXPANSION FACTOR								
10. RETURN REQUIREMENTS								
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT								NONE

EXHIBIT NO _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS: October-87 THROUGH November-87
ESTIMATED FOR MONTHS: December-87 THROUGH September-88

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	ACTUAL	ESTIMATED					ACTUAL	ESTIMATED		ACTUAL	ESTIMATED					
1. In Concert with the Environment																
A. ACTUAL	436	0	0	0	2,181	0	0	0	43	0	0	0	0	2,840	0	2,840
B. ESTIMATED	600	0	0	0	5,300	500	6,000	0	0	400	0	0	400	13,200	0	13,200
C. TOTAL	1,036	0	0	0	7,481	500	6,000	0	43	400	0	0	400	15,840	0	15,840
2. Direct Leakage Repair																
A. ACTUAL	509	0	0	0	0	0	0	0	0	0	0	0	0	509	0	509
B. ESTIMATED	1,000	800	0	0	2,000	700	1,100	500	0	400	0	0	1,400	7,600	0	7,600
C. TOTAL	1,509	800	0	0	2,000	700	1,100	500	0	400	0	0	1,400	8,409	0	8,409
3. Residential Geothermal Heat Pump																
A. ACTUAL	248	0	0	0	50	0	0	0	0	0	0	0	0	298	0	298
B. ESTIMATED	800	800	0	0	1,700	700	1,100	300	0	400	0	0	1,800	7,800	0	7,800
C. TOTAL	1,048	800	0	0	1,750	700	1,100	300	0	400	0	0	1,800	7,898	0	7,898
4. Residential Energy Audits																
A. ACTUAL	1,036	594	0	0	0	0	0	0	0	0	0	0	0	1,630	0	1,630
B. ESTIMATED	6,400	6,700	0	0	700	800	1,100	800	0	800	0	0	2,100	19,200	0	19,200
C. TOTAL	7,436	7,294	0	0	700	800	1,100	800	0	800	0	0	2,100	20,830	0	20,830
5. Low Income Customer Energy Audits																
A. ACTUAL	337	0	0	0	0	0	0	0	0	0	0	0	0	337	0	337
B. ESTIMATED	2,200	1,700	0	0	800	600	1,100	0	0	400	0	0	2,800	8,400	0	8,400
C. TOTAL	2,437	1,700	0	0	800	600	1,100	0	0	400	0	0	2,800	8,737	0	8,737
SUB-TOTAL ACTUAL	2,496	594	0	0	2,211	0	0	0	43	0	0	0	0	5,314	0	5,314
SUB-TOTAL ESTIMATED	11,070	10,000	0	0	10,550	3,300	10,400	1,800	2,200	2,200	0	0	6,500	57,300	0	57,300

LESS: INCLUDED IN RATE BASE
ACTUAL
ESTIMATED
TOTAL

NET PROGRAM COSTS

SEE PAGE 1A

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - PENNSACOLA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS THROUGH November-97
ESTIMATED FOR MONTHS THROUGH September-96

PROGRAM NAME	LABOR		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL	
	PATROLL	ADVICE DRNG				ADVIS	ADMIN									
6																
FRU Expenses	198	177	0	0	0	0	0	28	0	0	0	0	0	0	454	0
A. ACTUAL	2,000	2,000	0	800	800	1,100	0	0	500	0	0	2,700	0	8,700	0	8,700
B. ESTIMATED	2,198	2,117	0	800	800	1,100	0	0	500	0	0	2,700	0	12,154	0	12,154
C. TOTAL																
7																
Enhanced Good Cents Home	1,778	254	0	420	0	0	0	503	370	0	0	265	0	3,780	0	3,780
A. ACTUAL	5,700	4,200	0	2,500	800	1,800	1,700	500	500	0	0	2,600	0	19,800	0	19,800
B. ESTIMATED	7,478	4,354	0	2,820	800	1,800	2,203	570	570	0	0	2,953	0	23,580	0	23,580
C. TOTAL																
8																
Commercial/Industrial Good Cents Building	34	0	0	0	0	0	0	0	0	0	0	0	0	34	0	34
A. ACTUAL	1,800	1,300	0	3,300	500	1,100	1,500	200	200	0	0	2,700	0	12,400	0	12,400
B. ESTIMATED	1,834	1,300	0	3,300	500	1,100	1,500	200	200	0	0	2,700	0	12,434	0	12,434
C. TOTAL																
9																
Commercial/Industrial Energy Audit & Two Aaaa	475	0	0	191	0	0	0	120	0	0	0	0	0	786	0	786
A. ACTUAL	3,100	1,300	0	6,700	800	1,100	1,500	300	0	0	0	1,600	0	16,400	0	16,400
B. ESTIMATED	3,575	1,300	0	8,891	800	1,100	1,620	300	0	0	0	1,600	0	17,196	0	17,196
C. TOTAL																
10																
Commuter	4,283	0	297	0	1,038	0	0	21	972	0	0	(1,124)	0	5,472	0	5,472
A. ACTUAL	31,400	0	4,700	0	3,000	0	0	0	0	0	0	0	0	38,100	0	38,100
B. ESTIMATED	35,683	0	4,997	0	4,038	0	0	26	972	0	0	(1,124)	0	44,572	0	44,572
C. TOTAL																
TOTAL ACTUAL	9,215	1,028	297	2,822	1,038	0	0	770	1,342	0	0	(786)	0	15,840	0	15,840
TOTAL ESTIMATED	18,800	4,700	4,917	23,800	8,000	15,500	8,300	3,270	3,270	0	0	17,800	0	154,700	0	154,700

LESS INCLUDED IN RATE BASE

ACTUAL TOTAL

ESTIMATED TOTAL

NET PROGRAM COSTS

64,715	19,875	4,917	28,622	10,038	15,500	7,070	5,043	0	17,131	0	0	170,540	0	170,540
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FLORIDA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3
 PAGE 2 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
 C. 10/87 THROUGH 11/87
 D. 12/87 THROUGH 9/88

	BEGINNING OF PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

EXHIBIT NO. _____
 DOCKET NO. 88003-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (APP-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS

	ACTUAL		ESTIMATED												TOTAL GRAND	
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	ESTIMATED	TOTAL		
A. ESTIMATED EXPENSE BY PROGRAM																
1. in Concert with the Environment	1,833	867	1,800	1,800	1,800	1,300	1,150	1,150	1,100	1,100	1,100	1,100	1,100	13,200	15,840	
2. Direct Leakage Repair	229	280	800	800	800	700	800	800	800	800	800	800	800	7,600	8,400	
3. Residential Geothermal Heat Pump	193	109	700	700	700	700	800	800	800	800	800	800	800	7,600	7,868	
4. Residential Energy Audits	850	750	2,000	2,000	2,000	2,100	1,850	1,850	1,850	1,850	1,850	1,850	1,850	18,200	20,832	
5. Low Income Customer Energy Audits	31	306	900	900	900	1,000	950	950	950	950	950	950	950	8,400	9,637	
6. FPU Express	143	311	900	900	900	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	8,700	10,104	
7. Enhanced Good Cents Home	2,612	1,168	2,000	2,000	2,100	2,100	1,900	1,900	1,900	1,900	1,900	1,900	1,900	19,800	23,380	
8. Commercial/Industrial Good Cents Building	6	28	1,300	1,300	1,300	1,300	1,200	1,200	1,200	1,200	1,200	1,200	1,200	12,400	12,434	
9. Commercial/Industrial Energy Audits & Tech. A	364	462	1,500	1,500	1,400	1,400	1,750	1,750	1,750	1,750	1,750	1,750	1,750	16,400	17,188	
10. Common	2,713	2,759	3,900	3,900	3,900	3,700	3,950	3,950	3,950	3,950	3,950	3,950	3,950	28,100	44,572	
11.																
12.																
13.																
14.																
15.																
16.																
17.																
18.																
19.																
21. TOTAL ALL PROGRAMS	9,024	8,816	15,840	15,800	15,800	15,300	15,400	15,400	15,400	15,400	15,400	15,400	15,400	154,700	170,340	
22. LESS AMOUNT INCLUDED IN RATE BASE																
23. RECOVERABLE CONSERVATION EXPENSES	9,024	8,816	15,840	15,800	15,800	15,500	15,400	15,400	15,400	15,400	15,400	15,400	15,400	154,700	170,340	

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

ACTUAL FOR MONTHS: October-87 THROUGH November-87
December-87 THROUGH September-88

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
B CONSERVATION REVENUES													
1. RCS ADJUT FEES													
A.													
B.													
C.													
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)	25,870	18,021	19,862	21,250	20,799	18,971	0	0	0	0	0	0	124,773
3. TOTAL REVENUES	25,870	18,021	19,862	21,250	20,799	18,971	0	0	0	0	0	0	124,773
4. PRIOR PERIOD TRUE-UP-AQJ NOT APPLICABLE TO PERIOD	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	4,212	50,545
5. CONSERVATION REVENUES APPLICABLE TO PERIOD	30,082	22,233	24,074	25,462	25,011	23,183	4,212	4,212	4,212	4,212	4,212	4,212	175,318
6. CONSERVATION EXPENSES (FORM C-3 PAGE 3)	9,024	8,818	15,600	15,600	15,600	15,500	15,400	15,400	15,400	15,400	15,400	15,400	170,540
7. TRUE-UP THIS PERIOD	21,058	15,417	8,474	9,862	9,411	7,683	(11,188)	(11,188)	(11,188)	(11,188)	(11,188)	(11,187)	4,778
8. INTEREST PROVISION THIS PERIOD (C-3 PAGE 5)	272	340	380	404	432	454	428	368	288	218	147	78	3,797
9. TRUE-UP & INTEREST PROVISION	50,545	67,863	79,208	83,850	89,904	95,535	99,460	84,488	69,446	54,334	39,152	23,899	50,545
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(4,212)	(50,545)
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7, 8, 9, 10)	67,663	79,208	83,850	89,904	95,535	99,460	84,488	69,446	54,334	39,152	23,899	8,575	8,575

COMPANY - FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
 PAGE 5 OF 5

ACTUAL FOR MONTHS October-87 THROUGH November-87
 ESTIMATED FOR MONTHS December-87 THROUGH September-88

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	50,545	87,663	79,208	83,850	89,804	96,535	99,460	84,488	69,446	54,334	38,152	23,179	8,375
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+89+810)	87,291	78,868	83,479	89,500	95,103	99,006	84,060	69,088	54,048	35,934	23,752	8,499	4,778
3. TOTAL BEG AND ENDING TRUE-UP	137,836	166,531	162,678	173,350	185,007	194,541	183,520	153,576	123,492	93,268	62,904	32,308	13,353
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	58,968	73,266	81,338	86,875	92,504	97,271	91,760	78,788	61,740	46,834	31,452	16,199	6,877
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	5.53%	5.53%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
6. INTEREST RATE-FIRST DAY (IF SUBSEQUENT BUSINESS MONTH	5.53%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
7. TOTAL (LINE C-5 + C-6)	11,06%	11.13%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%
8. AVG INTEREST RATE (C-7 X 50%)	5.53%	5.57%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
9. MONTHLY AVERAGE INTEREST RATE	0.461%	0.464%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%	0.467%
10. INTEREST PROVISION (LINE C-4 X C-9)	272	340	380	404	432	454	429	358	288	218	147	76	3,797

DOCKET NO. _____
 DOCKET NO. 980002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD October-97 THROUGH March-99

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
OCTOBER	33,274	25,870	Actual
NOVEMBER	23,178	18,021	Actual
DECEMBER	25,512	19,862	0.077854
JANUARY	27,295	21,250	0.077854
FEBRUARY	26,715	20,799	0.077854
MARCH	24,368	18,971	0.077854
SUB-TOTAL	160,342	124,773	
APRIL	24,507	5,834	0.023807
MAY	26,197	6,237	0.023807
JUNE	30,953	7,369	0.023807
JULY	34,667	8,253	0.023807
AUGUST	35,091	8,354	0.023807
SEPTEMBER	33,534	7,963	0.023807
OCTOBER	28,602	6,810	0.023807
NOVEMBER	25,128	5,983	0.023807
DECEMBER	27,552	6,560	0.023807
JANUARY	30,336	7,222	0.023807
FEBRUARY	28,976	6,898	0.023807
MARCH	26,553	6,322	0.023807
SUB-TOTAL	352,096	83,825	
TOTALS	512,438	208,598	

EXHIBIT NO. _____
 DOCKET NO. 98022-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 1 OF 10**

1. In Concert With the Environment
2. Duct Leakage Repair
3. Residential Geothermal Heat Pump
4. Residential Energy Audits
5. Low Income Customer Energy Audits
6. FPU Express
7. Enhanced Good Cents Home
8. Commercial/ Industrial Good Cents Building
9. Commercial/Industrial Energy Audits and Technical Assistance

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 33 OF 42

**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 2 OF 10**

PROGRAM TITLE : In Concert With the Environment

PROGRAM DESCRIPTION : In Concert With the Environment® is an environmental and energy awareness program that is being implemented in the 9th grade science classes in Florida Public Utilities Company's service area. The program will show students how everyday energy use impacts the environment and how using energy wisely increases environmental quality. In Concert With the Environment® is brought to students who are already making decisions which impact our country's energy supply and the environment. Wise energy use today can best be achieved by linking environmental benefits to wise energy-use activities and by educating both present and future consumers on how to live "in concert with the environment".

The "In Concert" program was designed for teachers and students from the ground up. "In Concert" comes complete with suggestions for implementation, and evaluation, with quality materials designed to accentuate distinctive teaching styles. The program is flexible enough to be used as a stand-alone learning unit, or it can be integrated into existing lessons.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for number of program participants for this period is 100.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$13,900.

PROGRAM PROGRESS SUMMARY : This program was instituted for the first time at the beginning of the 1997 school year. We have received an enthusiastic response from both teachers and students during the first year and expect continued success.

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 34 OF 42

**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 3 OF 10**

PROGRAM TITLE : Duct Leakage Repair

PROGRAM DESCRIPTION : The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 14.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$10,050.

PROGRAM PROGRESS SUMMARY : New staff is being trained to perform this service and plans have been made to purchase additional equipment. Contractors and HVAC dealers are being informed of the program with emphasis on the importance of their participation. This program is made part of a customer's Residential Energy Audit when applicable.

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 35 OF 42

PROGRAM TITLE : Residential Geothermal Heat Pump

PROGRAM DESCRIPTION : The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : FPUC intends to implement this program over an extended period of time, currently expected to be 5 years. At this time no participation goals have been set. FPUC will continue to educate consumers on geothermal technology and raise awareness of the availability, affordability, and improved customer satisfaction associated with these units.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for the period are \$9,550.

PROGRAM PROGRESS SUMMARY : FPUC program implementation includes promotion by means of advertising, education, training, low interest loans for existing home owners, and guaranteed heating and cooling costs for new and existing home owners who install these units.

**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 5 OF 10**

PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION : The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 141.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$21,750.

PROGRAM PROGRESS : In order to meet the upcoming years goal, we will continue to educate customers regarding this program by utilizing media advertising and billing promotionals.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 37 OF 42

**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 6 OF 10**

PROGRAM TITLE : Low Income Customer Energy Audits

PROGRAM DESCRIPTION : FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but based on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 20.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$11,250.

PROGRAM PROGRESS SUMMARY : FPUC will work with Social Service Agencies to expand their roles in assisting and educating low income customers of the energy services FPUC offers as well as providing information concerning weatherization and energy management measures.

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DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 7 OF 10**

PROGRAM TITLE : FPU Express Loan Program

PROGRAM DESCRIPTION : The objective of the FPU Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application once the customer decides to install the conservation features. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 10.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for the period are \$12,050.

PROGRAM PROGRESS SUMMARY : Implementation of this program occurred in late October due to elaborate contract negotiations and customer service training in loan procedures. FPUC will continue to utilize media advertising and contractor relationships to promote the program benefits to customers.

EXHIBIT NO. _____
DOCKET NO. 980002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 39 OF 42

PROGRAM TITLE : Enhanced Good Cents Home Program

PROGRAM DESCRIPTION : The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, centsable duct system, centsable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPU will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM PROJECTION : For April 1998 through March 1999 : The goal for the number of program participants for this period is 42.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for the period are \$22,950.

PROGRAM PROGRESS SUMMARY : Program emphasis is on contractor education and participation. In addition, FPUC will create promotional materials in order to enhance program understanding and participation.

PROGRAM TITLE : Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION : The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these areas that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cents Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM PROJECTIONS : For April 1998 through March 1999 : The goal for the number of program participants for this period is 2.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for the period are \$14,250.

PROGRAM PROGRESS SUMMARY : FPUC has contracted with Gulf Power Company in order to provide commercial services to FPUC customers. Utilizing aggressive advertising and an intense customer education campaign FPUC expects continued success with this program.

PROGRAM TITLE : Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION : FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTION : For April 1998 through March 1999 : The goal for the number of program participants for this period is 12.

PROGRAM FISCAL EXPENDITURES : For April 1998 through March 1999 : Projected expenses for this period are \$21,050.

PROGRAM PROGRESS SUMMARY : This program was implemented in the first quarter of 1997. Details are being worked out between FPUC and Gulf Power Company, who will be contracted to provide this service to FPUC customers. Utilizing aggressive advertising and an intense customer education campaign FPUC expects good success with this program.