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December 7, 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

RECORDS AND
REPORTING

DEC-7 PM 2:19

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; and
 2. Original and fifteen copies of the Direct Testimony of Michael A. Peacock; and
- 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
Kenneth A. Hoffman

ACK _____
AFA Handover
APP _____
CAF _____
CMU _____
CTR _____
EAG Ballinger
LEG 1
LIN 3tag
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

KAH/rl

Petition
DOCUMENT NUMBER-DATE
13772 DEC-7 88
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
13773 DEC-7 88
FPSC-RECORDS/REPORTING

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, 1999 through December, 1999.
12 Q. What respectively are the total projected costs
13 for the period April, 1999 through December,
14 1999 in the Marianna Division and the Fernandina
15 Beach Division?
16 A. For the Marianna Division, the total projected
17 Conservation Program Costs are \$123,700. For
18 the Fernandina Beach Division, the total
19 projected Conservation Program Costs are

1 \$119,800. For each Division, please see its
2 respective Schedule C-2, page 2, for the
3 programmatic and functional breakdown of these
4 total costs.

5 Q. For each division, what is the true-up amount to
6 be applied to determine the projected net total
7 costs for the period April, 1998 through March,
8 1999.

9 A. As reflected in the respective "C" Schedules,
10 the true-up amount for the Marianna Division is
11 (\$63,056). In the Fernandina Beach Division the
12 true-up is (\$88,760). These amounts are based
13 upon seven months actual and five months
14 estimated data.

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

18 A. For the Marianna Division the net total costs
19 to be recovered are \$60,644. For the
20 Fernandina Beach Division the net total costs
21 to be recovered are \$31,040.

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

25 A. For the Marianna Division, the Conservation
26 Adjustment Factor is \$.00029 per KWH. For the

1 Fernandina Beach Division, the factor is
2 \$.00011 per KWH.

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

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

10 Q. Does this conclude your testimony?

11 A. Yes

12
13 conservation disk/peactest.1298)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS April-99 THROUGH December-99

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>123,700</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(63,056)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>60,644</u>
4.	RETAIL KWH/THERM SALES	<u>212,393,000</u>
5.	COST PER KWH/THERM	<u>0.00028600</u>
6.	REVENUE TAX MULTIPLIER	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00028600</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.00029</u>

EXHIBIT NO. _____
DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-1)
PAGE 1 OF 42

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS April-89 THROUGH December 89

A. ESTIMATED EXPENSE BY PROGRAM	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. In Contact with the Environment	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	10,800
2. Direct Leakage Repair	500	500	500	500	500	500	500	500	500	4,500
3. Residential Geothermal Heat Pump	500	500	500	500	500	500	500	500	500	4,100
4. Residential Energy Audits	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	19,200
5. Low Income Customer Energy Audits	700	700	700	700	700	700	700	700	700	6,400
6. FPU Express	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	8,800
7. Enhanced Good Cents Home	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
8. Commercial/Industrial Good Cents Building	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	11,000
9. Commercial/Industrial Energy Audits & Tech. Asst.	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	11,000
10. Common	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	29,800
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19.										
31. TOTAL ALL PROGRAMS	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	123,700
32. LESS AMOUNT INCLUDED IN RATE BASE										
33. RECOVERABLE CONSERVATION EXPENSES	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	123,700

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARBANNA
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

PROGRAM NAME	LABOR & PAYROLL		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	APR-88	THROUGH DECEMBER-88						ADMIN.	GENERAL					
1 in Concept with the Environment	1,400	0	0	0	0	8,200	0	800	0	0	0	10,400	0	10,400
2 Direct Leakage Repair	1,400	2,300	0	0	0	400	0	800	0	0	0	4,900	0	4,900
3 Residential Geothermal Heat Pump	1,400	1,500	0	0	400	0	0	800	0	0	0	4,100	0	4,100
4 Residential Energy Audits	5,200	7,500	0	800	1,100	2,300	1,500	800	0	0	0	19,200	0	19,200
5 Low Income Customer Energy Audits	1,400	2,300	0	0	1,100	800	0	800	0	0	0	6,400	0	6,400
6 FPL Express	1,300	4,500	0	800	400	800	0	800	0	0	0	8,600	0	8,600
7 Enhanced Good Cents Home	5,100	6,000	0	1,500	800	0	3,000	800	0	0	0	18,300	0	18,300
8 Commercial/Industrial Good Cents Building	2,100	2,300	0	3,000	800	800	1,500	800	0	0	0	11,000	0	11,000
9 Commercial/Industrial Energy Audits & Tech As	2,100	2,300	0	3,000	800	800	1,500	800	0	0	0	11,000	0	11,000
10 Common	24,700	0	3,000	0	1,900	0	0	0	0	0	0	29,600	0	29,600
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
31 TOTAL ALL PROGRAMS	46,100	28,700	3,000	9,100	7,600	13,700	8,300	7,500	0	0	0	123,700	0	123,700
32 LESS BASE RATE RECOVERY														
33 NET PROGRAM COSTS	46,100	28,700	3,000	9,100	7,600	13,700	8,300	7,500	0	0	0	123,700	0	123,700

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE C-2

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

PAGE 3 OF 3

ESTIMATED FOR MONTHS April-99 THROUGH December-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. 990002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-1)
PAGE 4 OF 42

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARUANNA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS April-88 THROUGH October-88
ESTIMATED FOR MONTHS November-88 THROUGH March-89

PROGRAM NAME	LABOR		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	PAYROLL	ADVERTISING				TRAVEL	ADMIN.							
1. In Concert with the Environment														
A. ACTUAL	969	0	0	11,739	0	0	53	275	0	0	0	13,036	0	13,036
B. ESTIMATED	775	0	0	0	250	4,725	250	0	0	0	0	6,000	0	6,000
C. TOTAL	1,744	0	0	11,739	250	4,725	303	275	0	0	0	19,036	0	19,036
2. Direct Leakage Repair														
A. ACTUAL	2,200	836	0	0	0	3,014	0	0	0	0	0	6,050	0	6,050
B. ESTIMATED	775	1,050	0	300	325	300	0	450	0	200	200	3,400	0	3,400
C. TOTAL	2,975	1,886	0	300	325	3,314	0	450	0	200	200	9,450	0	9,450
3. Residential Geothermal Heat Pump														
A. ACTUAL	543	518	0	0	0	0	0	0	0	0	0	1,061	0	1,061
B. ESTIMATED	725	700	0	200	325	300	100	450	0	200	200	3,000	0	3,000
C. TOTAL	1,268	1,218	0	200	325	300	100	450	0	200	200	4,061	0	4,061
4. Residential Energy Audits														
A. ACTUAL	4,293	5,120	0	0	0	2,544	0	410	0	0	0	12,367	0	12,367
B. ESTIMATED	3,050	4,200	0	250	575	1,075	1,200	450	0	200	200	11,000	0	11,000
C. TOTAL	7,343	9,320	0	250	575	3,619	1,200	860	0	200	200	23,367	0	23,367
5. Low Income Customer Energy Audits														
A. ACTUAL	904	500	0	0	0	795	0	0	0	0	0	2,199	0	2,199
B. ESTIMATED	575	1,050	0	200	575	550	0	450	0	300	300	3,700	0	3,700
C. TOTAL	1,479	1,550	0	200	575	1,345	0	450	0	300	300	5,899	0	5,899
SUB-TOTAL ACTUAL	8,909	6,874	0	11,739	0	6,353	0	483	275	0	0	34,713	0	34,713
SUB-TOTAL ESTIMATED	5,900	7,000	0	990	2,050	8,950	1,300	2,050	0	900	900	27,100	0	27,100

LESS: INCLUDED IN RATE BASE
ACTUAL
ESTIMATED
TOTAL

NET PROGRAM COSTS

SEE PAGE 1A

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - BAYLAND
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS: April-88 THROUGH October-88
ESTIMATED FOR MONTHS: November-88 THROUGH March-89

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN		INCENTIVES	OTHER	SUBS TOTAL	PROGRAM REVENUES	TOTAL
6 FPU Express																
A. ACTUAL	1,563	2,488	0	0	0	0	1,066	0	0	10	0	0	0	5,137	0	5,137
B. ESTIMATED	1,025	2,000	0	0	0	0	550	0	0	350	0	0	0	5,100	0	5,100
C. TOTAL	2,578	4,488	0	0	0	0	1,616	0	0	300	0	0	0	10,237	0	10,237
7 Enhanced Good Cents Home																
A. ACTUAL	2,865	4,742	0	0	4,728	0	1,302	318	250	0	0	0	731	15,034	0	15,034
B. ESTIMATED	3,190	3,000	0	0	1,000	450	200	2,050	450	0	0	0	300	10,800	0	10,800
C. TOTAL	6,035	7,742	0	0	5,728	450	1,502	2,368	700	0	0	0	1,031	25,834	0	25,834
8 Commercial/Industrial Good Cents Building																
A. ACTUAL	566	291	0	0	0	0	939	91	0	0	0	0	0	2,017	0	2,017
B. ESTIMATED	1,275	1,050	0	0	1,300	375	550	800	450	0	0	0	300	6,100	0	6,100
C. TOTAL	1,871	1,441	0	0	1,300	375	1,489	891	450	0	0	0	300	8,117	0	8,117
9 Commercial/Industrial Energy Audits & Tech. Asst																
A. ACTUAL	876	1,323	0	0	3,768	0	328	19	23	0	0	0	0	8,338	0	8,338
B. ESTIMATED	1,315	1,050	0	0	1,800	375	550	800	450	0	0	0	300	6,700	0	6,700
C. TOTAL	2,251	2,373	0	0	5,568	375	878	819	473	0	0	0	300	13,038	0	13,038
10 Common																
A. ACTUAL	14,206	0	317	0	0	5,833	1,329	342	5,442	0	0	0	1,268	28,814	0	28,814
B. ESTIMATED	14,875	0	2,000	0	0	1,225	0	0	0	0	0	0	0	17,800	0	17,800
C. TOTAL	29,081	0	2,317	0	0	6,858	1,329	342	5,442	0	0	0	1,268	46,614	0	46,614
TOTAL ACTUAL	29,105	15,818	317	0	20,206	5,833	11,418	798	6,186	0	0	0	1,897	91,853	0	91,853
TOTAL ESTIMATED	27,405	14,150	2,000	0	5,800	4,800	8,800	4,800	3,750	0	0	0	2,100	73,000	0	73,000
LESS INCLUDED IN RATE BASE																
ACTUAL TOTAL	56,505	30,018	2,317	0	25,006	10,433	20,218	5,718	9,038	0	0	0	4,097	155,353	0	155,353
ESTIMATED TOTAL																
NET PROGRAM COSTS																

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

SCHEDULE C-2
 PAGE 3 OF 5

ACTUAL FOR MONTHS April-88 THROUGH October-88
 ESTIMATED FOR MONTHS November-88 THROUGH March-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. 88002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (AMP-1)
 PAGE 7 OF 42

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARLBOROUGH
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 3 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
 APRIL-88 THROUGH OCTOBER-88
 NOVEMBER-88 THROUGH MARCH-89

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL					ESTIMATED					TOTAL ESTIMATED	GRAND TOTAL		
	1988 APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	TOTAL ACTUAL	1989 JANUARY	FEBRUARY			MARCH	
1. In Concert with the Environment	861	235	204	0	0	293	11,443	13,036	1,200	1,200	1,200	1,200	6,000	18,036
2. Direct Leakage Repair	373	1,015	418	3,272	414	262	298	8,060	800	800	800	800	3,400	8,450
3. Residential Geothermal Heat Pump	28	119	285	310	8	180	108	1,041	800	800	800	800	3,000	4,061
4. Residential Energy Audits	1,492	1,491	2,777	1,243	1,837	1,198	2,311	12,367	2,300	2,300	2,100	2,100	11,000	23,367
5. Low Income Customer Energy Audits	75	164	155	594	48	293	802	2,199	800	800	700	700	3,700	5,899
6. FPU Express	540	875	772	458	547	624	1,221	5,137	1,100	1,100	900	1,000	5,100	10,237
7. Enhanced Good Cents Home	1,050	1,299	1,002	5,353	1,817	1,859	2,854	15,034	2,300	2,300	2,000	2,000	10,600	25,634
8. Commercial/Industrial Good Cents Building	83	46	189	100	109	247	1,233	2,017	1,200	1,200	1,300	1,200	6,100	8,117
9. Commercial/Industrial Energy Audits & Tech	323	448	222	4,308	414	225	397	8,328	1,500	1,500	1,300	1,200	6,700	12,028
10. Common	3,253	3,427	3,896	3,487	4,748	4,317	5,305	28,814	4,000	4,000	3,300	3,300	17,600	46,114
11.														
12.														
13.														
14.														
15.														
16.														
17.														
18.														
19.														
31. TOTAL ALL PROGRAMS	8,098	9,219	8,718	19,106	9,962	8,678	28,073	91,853	18,100	18,100	16,100	13,600	73,900	165,353

32. LESS AMOUNT INCLUDED IN RATE BASE

33. RECOVERABLE CONSERVATION EXPENSES	8,098	9,219	8,718	19,106	9,962	8,678	28,073	91,853	18,100	18,100	16,100	13,600	73,900	165,353
---------------------------------------	-------	-------	-------	--------	-------	-------	--------	--------	--------	--------	--------	--------	--------	---------

EXHIBIT NO. _____
 BOOKLET NO. 98002-ED
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 8 OF 42

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

ACTUAL FOR MONTHS April-88 THROUGH October-88
ESTIMATED FOR MONTHS November-88 THROUGH March-89

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
B CONSERVATION REVENUES													
1 RICS AUDIT FEES													
a													
b													
c													
2 CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)	7,002	7,796	10,901	12,538	10,818	10,894	8,804	7,445	8,432	9,159	8,374	7,635	110,798
3 TOTAL REVENUES	7,002	7,796	10,901	12,538	10,818	10,894	8,804	7,445	8,432	9,159	8,374	7,635	110,798
4 PRIOR PERIOD TRUE-UP-ADJ NOT APPLICABLE TO PERIOD	9,376	9,376	9,376	9,376	9,376	9,376	9,376	9,376	9,376	9,376	9,376	9,376	112,508
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	16,378	17,172	20,277	21,914	20,194	20,270	18,180	16,821	17,808	18,535	17,750	17,005	223,304
6 CONSERVATION EXPENSES (FORM C-3, PAGE 3)	8,099	9,219	9,718	19,106	9,962	9,676	26,073	16,100	16,100	13,900	13,700	13,700	168,353
7 TRUE-UP THIS PERIOD	8,279	7,953	10,559	2,808	10,232	10,594	(8,893)	721	1,708	4,635	4,000	3,305	87,961
8 INTEREST PROVISION THIS PERIOD (C-3, PAGE 5)	517	511	516	509	494	486	437	381	348	323	303	280	5,105
9 TRUE-UP & INTEREST PROVISION	112,508	111,826	111,014	112,713	108,654	108,004	108,708	93,878	85,802	78,282	73,864	68,941	112,508
9A DEFERRED TRUE-UP BEGINNING OF PERIOD													
10 PRIOR TRUE-UP COLLECTED (REFUNDED)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(9,376)	(112,508)
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7, 8, & 10)	111,806	111,014	112,713	108,654	108,004	108,708	93,878	85,802	78,282	73,864	68,941	63,056	83,056

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

ACTUAL FOR MONTHS April-88 THROUGH October-88
ESTIMATED FOR MONTHS November-88 THROUGH March-89

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1 BEGINNING TRUE-UP (LINE B-6)	112,506	111,926	111,014	112,713	106,654	106,004	106,708	93,876	85,602	78,282	73,864	68,841	63,056
2 ENDING TRUE-UP BEFORE INTEREST (LINE B7-B9+B10)	111,459	110,503	112,187	106,145	107,510	109,222	93,439	85,221	77,934	73,541	68,538	62,778	57,961
3 TOTAL BEG. AND ENDING TRUE-UP	223,965	222,429	223,201	218,858	214,164	217,226	203,147	179,097	163,536	151,823	142,402	131,617	121,007
4 AVERAGE TRUE-UP (LINE C-3 X 50 %)	111,982	111,214	111,600	109,429	107,082	108,613	101,573	89,548	81,768	75,911	71,201	65,808	60,503
5 INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	5.55%	5.57%	5.50%	5.60%	5.56%	5.52%	5.22%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
6 INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.53%	5.60%	5.60%	5.56%	5.52%	5.22%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
7 TOTAL (LINE C-5 + C-6)	111,087	111,037	111,107	111,167	110,747	107,747	102,327	102,207	102,207	102,207	102,207	102,207	102,207
8 AVG INTEREST RATE (C-7 X 50%)	5.54%	5.52%	5.50%	5.56%	5.54%	5.37%	5.16%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
9 MONTHLY AVERAGE INTEREST RATE	0.462%	0.460%	0.462%	0.465%	0.462%	0.448%	0.420%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%
10 INTEREST PROVISION (LINE C-4 X C-9)	517	511	516	509	484	486	437	381	348	323	303	280	260

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

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD April-88 THROUGH December-89

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
88 APRIL	18,419	7,002	ACTUAL
MAY	20,515	7,796	ACTUAL
JUNE	28,696	10,901	ACTUAL
JULY	33,004	12,538	ACTUAL
AUGUST	28,478	10,818	ACTUAL
SEPTEMBER	28,675	10,894	ACTUAL
OCTOBER	25,805	9,804	ACTUAL
NOVEMBER	19,771	7,445	ACTUAL
DECEMBER	22,393	8,432	ACTUAL
99 JANUARY	24,324	9,159	0.03766
FEBRUARY	22,237	8,374	0.03766
MARCH	20,276	7,635	0.03766
SUB-TOTAL	<u>292,591</u>	<u>110,798</u>	
99 APRIL	18,239	5,216	0.02860
MAY	19,785	5,659	0.02860
JUNE	25,125	7,186	0.02860
JULY	27,470	7,856	0.02860
AUGUST	28,169	8,056	0.02860
SEPTEMBER	28,674	8,201	0.02860
OCTOBER	23,211	6,638	0.02860
NOVEMBER	19,547	5,590	0.02860
DECEMBER	22,173	6,341	0.02860
SUB-TOTAL	<u>212,393</u>	<u>184,776</u>	
TOTALS	<u>504,984</u>	<u>295,576</u>	

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 FLORIDA PUBLIC UTILITIES COMPANY
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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

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 1999 through December 1999: The goal for the number of program participants for this period is 75.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$10,900.

PROGRAM PROGRESS SUMMARY: Program participants totaled 435 during the 1997-98 school year. We have received an enthusiastic response from both teachers and students during the first two years and expect continued success.

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 1999 through December 1999: The goal for the number of program participants for this period is 12.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$4,900.

PROGRAM PROGRESS SUMMARY : In order to ensure that we meet our current and future goals FPUC will be sponsoring continuing education courses for building and HVAC contractors which will provide training in the areas of duct leakage identification and repair solutions. Contractors will then be in a better position to provide quality duct repair/installation services to FPUC customers. This training will be offered to area contractors in both service areas. As with the Enhanced Good Cents Program we are offering these training seminars in cooperation with other utilities in order to allow us to offer these courses to local contractors at a much lower cost to us. With this training we feel confident that we can meet our PSC approved goals now and in the future.

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 1999 through December 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 1999 through December 1999: Projected expenses for the period are \$4,100.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we feel confident that by our efforts to promote this technology we will see a number of geothermal installations in our service areas during the current year. We will continue to educate customers and strive to develop a network of installers in order to better promote this highly efficient heating and cooling source.

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA 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 1999 through December 1999: The goal for the number of program participants for this period is 110.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$19,200.

PROGRAM PROGRESS: We feel confident that by our efforts to promote this program through billing promotional materials, newspaper, and cable TV that we will see similar participation in this program in the future.

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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 1999 through March 1999: The goal for the number of program participants for this period is 17.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$6,400.

PROGRAM PROGRESS SUMMARY: FPUC will continue to work with Social Service Agencies and low-income housing managers to provide information concerning weatherization programs and energy saving measures.

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 1999 through December 1999: The goal for the number of program participants for this period is 9.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for the period are \$8,600.

PROGRAM PROGRESS SUMMARY: We feel this program will be extremely successful due to increased advertising and our new promotional efforts. During Residential Audits we will inform residents of the advantages of this program as well as through newspaper and cable television advertising. We will continue to nurture the close relationships we have built with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

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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 1999 through December 1999: The goal for the number of program participants for this period is 36.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for the period are \$18,000.

PROGRAM PROGRESS SUMMARY: Program participation has been disappointing thus far despite our efforts to educate customers. Our department recently met with Good Cents Representatives at Gulf Power Company in Panama City, Florida. During this meeting some different ways to promote this program were identified. We will be taking what we learned in that meeting in order to re-focus our efforts to promote this program's benefits to the final consumer.

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 1999 through December 1999. The goal for the number of program participants for this period is 2.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999. Projected expenses for the period are \$11,000.

PROGRAM PROGRESS SUMMARY: We contracted with Gulf Power in order to provide commercial services to our commercial/industrial customers. Utilizing aggressive advertising and by staying in contact with the decision makers we will continue to make great progress in this area.

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 1999 through December 1999: The goal for the number of program participants for this period is 10.

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

PROGRAM PROGRESS SUMMARY : As has been stated previously, we have contracted with Gulf Power to provide these types of services to our customers. We have built trusting relationships with many of these customers by educating them concerning new technologies and by getting them in touch with people who could solve their particular problems. The work we have done in this area will continue to benefit FPUC by increased participation in this program.

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-99 THROUGH December-99

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>119,800</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(68,760)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>31,040</u>
4.	RETAIL KWH/THERM SALES	<u>278,925,000</u>
5.	COST PER KWH/THERM	<u>0.00011100</u>
6.	REVENUE TAX MULTIPLIER	<u>1.01597</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00011300</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.00011</u>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE C-2
PAGE 1 OF 3

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS April-99 THROUGH December-99

A. ESTIMATED EXPENSE BY PROGRAM	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. In Concert with the Environment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,300
2. Direct Leakage Repair	700	700	700	700	700	700	700	700	700	6,400
3. Residential Geothermal Heat Pump	400	400	400	400	400	400	400	400	400	3,600
4. Residential Energy Audits	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	17,800
5. Low Income Customer Energy Audits	900	900	900	900	900	900	900	900	900	8,300
6. FPU Express	700	700	700	700	700	700	700	700	700	5,100
7. Enhanced Good Cents Home	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	18,800
8. Commercial/Industrial Good Cents Building	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	12,800
9. Commercial/Industrial Energy Audits & Tech. Assst.	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	12,000
10. Common	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	24,300
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19.										
31. TOTAL ALL PROGRAMS	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	119,800
32. LESS AMOUNT INCLUDED IN RATE BASE										
33. RECOVERABLE CONSERVATION EXPENSES	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	119,800

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DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNAONDA
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS April-99 THROUGH December-99

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
						TRAVEL	SUPPLIES		ADMIN.	GENERAL					
1 In Contact with the Environment	300	0	0	0	0	0	8,200	0	800	0	0	0	9,300	0	9,300
2 Direct Leakage Repair	2,200	1,900	0	0	0	0	0	800	1,100	0	0	0	6,400	0	6,400
3 Residential Geothermal Heat Pump	800	800	0	400	400	0	0	800	800	0	0	0	3,800	0	3,800
4 Residential Energy Audits	5,800	6,000	0	400	800	0	1,500	1,700	1,700	0	0	0	17,800	0	17,800
5 Low Income Customer Energy Audits	3,000	1,900	0	0	800	0	1,800	0	1,100	0	0	0	8,300	0	8,300
6 FPU Express	2,100	1,900	0	400	400	0	500	0	800	0	0	0	6,100	0	6,100
7 Enhanced Good Cents Home	5,900	8,300	0	400	800	0	400	3,800	1,500	0	0	0	18,800	0	18,800
8 Commercial/Industrial Good Cents Building	2,900	1,500	0	3,800	800	0	800	1,500	1,500	0	0	0	12,800	0	12,800
9 Commercial/Industrial Energy Audits & Tech As	2,800	800	0	3,800	800	0	800	1,500	1,900	0	0	0	12,000	0	12,000
10 Common	19,900	0	3,000	0	1,800	0	0	0	0	0	0	0	24,500	0	24,500
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
31 TOTAL ALL PROGRAMS	45,800	20,800	3,000	9,200	6,800	13,700	9,800	10,300	10,300	0	0	0	119,800	0	119,800
32 LESS BASE RATE RECOVERY															
33 NET PROGRAM COSTS	45,800	20,800	3,000	9,200	6,800	13,700	9,800	10,300	10,300	0	0	0	119,800	0	119,800

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS April-88 THROUGH December-88

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
April-88 THROUGH October-88
November-88 THROUGH March-89

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES		TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 In Concert with the Environment																
A. ACTUAL	769	0	0	0	11,368	0	0	0	0	25	0	0	0	12,182	0	12,182
B. ESTIMATED	275	0	0	0	0	100	4,725	0	0	360	0	0	0	5,500	0	5,500
C. TOTAL	1,044	0	0	0	11,368	100	4,725	0	0	375	0	0	0	17,682	0	17,682
2 Direct Leakage Repair																
A. ACTUAL	1,846	102	0	0	0	0	3,014	0	0	0	0	0	0	4,962	0	4,962
B. ESTIMATED	925	825	0	0	300	225	300	450	475	475	0	200	200	3,790	0	3,790
C. TOTAL	2,771	927	0	0	300	225	3,314	450	475	475	0	200	200	8,662	0	8,662
3 Residential Geothermal Heat Pump																
A. ACTUAL	612	571	0	0	0	0	0	0	0	0	0	0	0	1,383	0	1,383
B. ESTIMATED	400	450	0	0	425	225	300	250	360	360	0	400	400	2,800	0	2,800
C. TOTAL	1,212	1,021	0	0	425	225	300	250	360	360	0	400	400	4,183	0	4,183
4 Residential Energy Audits																
A. ACTUAL	4,270	3,347	0	0	32	0	1,600	74	216	0	21	0	0	9,560	0	9,560
B. ESTIMATED	2,975	3,300	0	0	125	480	800	700	750	0	0	400	400	9,500	0	9,500
C. TOTAL	7,245	6,647	0	0	157	480	2,400	774	966	0	21	400	400	19,060	0	19,060
5 Low Income Customer Energy Audits																
A. ACTUAL	387	0	0	0	0	0	795	0	0	0	0	0	0	1,182	0	1,182
B. ESTIMATED	1,250	925	0	0	200	350	800	0	475	0	0	500	500	4,500	0	4,500
C. TOTAL	1,637	925	0	0	200	350	1,595	0	475	0	0	500	500	5,682	0	5,682
SUB-TOTAL ACTUAL	8,064	4,020	0	0	11,420	0	5,409	74	241	0	21	0	0	29,269	0	29,269
SUB-TOTAL ESTIMATED	5,875	5,500	0	0	1,050	1,350	6,925	1,400	2,400	0	0	1,500	1,500	26,000	0	26,000

LESS INCLUDED IN RATE BASE
ACTUAL
ESTIMATED
TOTAL

SEE PAGE 1A

NET PROGRAM COSTS

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERROLACONA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS: April-88 THROUGH October-88
ESTIMATED FOR MONTHS: November-88 THROUGH March-89

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					
6. FPU Express																
A. ACTUAL	1,562	2,198	0	0	0	0	1,178	0	125	0	0	0	0	5,048	0	5,048
B. ESTIMATED	1,125	1,025	0	325	225	450	0	0	350	0	0	0	500	4,070	4,300	4,300
C. TOTAL	2,687	3,211	0	325	225	1,628	0	475	0	0	0	0	500	9,048	9,048	9,048
7. Enhanced Good Cams Home																
A. ACTUAL	4,290	2,294	0	0	0	4	1,299	472	0	0	0	0	0	6,337	0	6,337
B. ESTIMATED	3,150	2,800	0	625	450	325	1,550	600	0	500	0	0	0	10,000	10,000	10,000
C. TOTAL	7,440	5,094	0	625	450	329	2,839	1,072	0	1,118	0	0	0	18,337	18,337	18,337
8. Commercial/Industrial Good Cams Building																
A. ACTUAL	721	0	0	0	0	796	91	18	0	0	0	0	0	1,625	0	1,625
B. ESTIMATED	1,150	800	0	1,950	350	550	800	500	0	500	0	0	0	6,000	0	6,000
C. TOTAL	1,871	800	0	1,950	350	1,345	891	518	0	500	0	0	0	8,225	0	8,225
9. Commercial/Industrial Energy Audits & Tech. Asses																
A. ACTUAL	3,042	0	0	8,540	0	328	147	515	0	0	0	0	0	12,572	0	12,572
B. ESTIMATED	1,800	550	0	2,550	450	550	850	600	0	500	0	0	0	7,600	7,600	7,600
C. TOTAL	4,842	550	0	11,090	450	878	947	1,115	0	500	0	0	0	20,172	20,172	20,172
10. Common																
A. ACTUAL	12,189	0	317	0	3,840	1,003	14	5,405	238	0	0	0	0	23,108	0	23,108
B. ESTIMATED	12,875	0	2,000	0	1,125	0	0	0	0	0	0	0	0	18,100	18,100	18,100
C. TOTAL	25,164	0	2,317	0	4,965	1,003	14	5,405	238	0	0	0	0	39,208	39,208	39,208
TOTAL ACTUAL	29,868	8,479	317	18,960	3,840	8,715	1,815	6,778	208	0	0	0	618	80,558	0	80,558
TOTAL ESTIMATED	25,875	10,675	2,000	6,500	3,950	8,600	4,550	4,450	0	3,500	0	0	0	70,300	70,300	70,300
LESS INCLUDED IN RATE BASE ACTUAL ESTIMATED TOTAL																
NET PROGRAM COSTS	55,763	19,145	2,317	26,460	7,790	17,815	6,185	11,228	208	4,118	0	0	0	150,858	0	150,858

EXHIBIT NO. _____
DOCKET NO. 88003-EG
FLORIDA PUBLIC UTILITIES COMPANY
(BAPA-1)
PAGE 27 OF 42

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

SCHEDULE C-3
 PAGE 2 OF 8

ACTUAL FOR MONTHS: April-88 THROUGH October-88
 ESTIMATED FOR MONTHS: November-88 THROUGH March-89

	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. 980592-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 28 OF 42

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
CONSERVATION PROGRAM COSTS

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS

1988	ACTUAL					ESTIMATED					TOTAL ESTIMATED	GRAND TOTAL		
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY			FEBRUARY	MARCH
1	285	212	93	107	97	73	11,315	12,142	1,200	1,200	1,100	1,000	5,300	17,862
2	180	504	297	2,831	153	298	611	4,962	800	800	700	700	3,700	8,962
3	137	105	499	232	112	176	102	1,363	800	800	400	400	2,800	4,163
4	630	1,425	1,572	1,438	875	1,171	2,348	8,360	1,800	1,800	2,000	2,000	8,300	18,060
5	8	51	34	59	87	132	780	1,182	900	900	900	900	4,300	5,882
6	364	954	821	1,052	802	443	1,011	5,049	1,000	1,000	800	700	4,300	8,049
7	385	754	811	1,875	1,964	2,352	1,018	8,837	1,800	1,800	2,000	2,100	10,200	18,937
8	178	129	51	143	114	214	798	1,625	1,200	1,200	1,400	1,400	6,800	8,225
9	1,038	413	274	9,818	265	328	438	12,872	1,800	1,800	1,400	1,300	7,800	20,172
10	2,744	2,840	3,443	3,790	3,369	3,264	3,526	23,106	4,000	4,000	2,700	2,700	18,100	39,206
11														
12														
13														
14														
15														
16														
17														
18														
19														
31	5,968	7,437	7,795	21,145	7,808	8,441	21,944	80,558	15,400	15,400	13,100	13,200	70,300	150,858
32														
33	5,968	7,437	7,795	21,145	7,808	8,441	21,944	80,558	15,400	15,400	13,100	13,200	70,300	150,858

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

SCHEDULE C-3
 PAGE 4 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. RCS AUDIT FEES													
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)	6,161	6,648	10,147	11,205	9,619	9,724	9,129	5,963	6,500	7,222	6,896	6,322	95,818
3. TOTAL REVENUES	6,161	6,648	10,147	11,205	9,619	9,724	9,129	5,963	6,500	7,222	6,896	6,322	95,818
4. PRIOR PERIOD TRUE-UP-ADJ NOT APPLICABLE TO PERIOD	11,455	11,455	11,455	11,455	11,455	11,455	11,455	11,455	11,455	11,455	11,455	11,452	137,457
5. CONSERVATION REVENUES APPLICABLE TO PERIOD	17,816	18,103	21,602	22,660	21,074	21,179	20,584	17,438	18,015	18,677	18,353	17,774	233,075
6. CONSERVATION EXPENSES (FORM C-3/PAGE 3)	5,988	7,437	7,795	21,145	7,808	8,441	21,944	15,400	15,400	13,100	13,200	12,200	150,858
7. TRUE-UP THIS PERIOD	11,828	10,666	13,807	1,515	13,266	12,738	(1,360)	2,038	2,615	5,577	6,153	4,574	82,217
8. INTEREST PROVISION THIS PERIOD (C-3/PAGE 5)	635	634	644	633	613	604	568	508	470	440	416	380	6,543
9. TRUE-UP & INTEREST PROVISION	137,457	138,265	138,110	141,106	131,799	134,223	136,110	122,853	114,942	108,572	101,134	95,348	137,457
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,455)	(11,452)	(137,457)
11. END OF PERIOD TOTAL NET TRUE-UP (SUM OF LINES 7, 8, 9, 10)	136,265	136,110	141,106	131,799	134,223	136,110	122,853	114,942	106,572	101,134	95,348	88,780	88,780

EXHIBIT NO. _____
 DOCKET NO. RR0002-EO
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 30 OF 42

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

SCHEDULE C-3
 PAGE 1 OF 5

ACTUAL FOR MONTHS APRIL-88 THROUGH OCTOBER-88
 ESTIMATED FOR MONTHS NOVEMBER-88 THROUGH MARCH-89

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. BEGINNING TRUE-UP (LINE B-8)	137,457	138,265	138,110	141,108	131,799	134,223	138,110	123,853	114,942	108,572	101,134	95,248	88,760
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9-B10)	137,630	137,476	140,462	131,166	133,610	135,506	123,295	114,436	106,102	100,694	94,832	88,370	82,217
3. TOTAL BEG. AND ENDING TRUE-UP	275,087	275,741	278,572	272,272	265,409	269,729	259,405	238,289	221,044	207,266	195,966	183,618	170,977
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	137,544	137,871	139,286	136,136	132,705	134,865	129,703	119,145	110,522	103,633	97,983	91,809	85,489
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	5.55%	5.53%	5.50%	5.60%	5.56%	5.52%	5.22%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.53%	5.50%	5.60%	5.56%	5.52%	5.22%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
7. TOTAL (LINE C-5 + C-6)	11.08%	11.03%	11.10%	11.16%	11.08%	10.74%	10.32%	10.20%	10.20%	10.20%	10.20%	10.20%	10.20%
8. AVG INTEREST RATE (C-7 X 50%)	5.54%	5.52%	5.55%	5.58%	5.54%	5.37%	5.16%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
9. MONTHLY AVERAGE INTEREST RATE	0.462%	0.460%	0.463%	0.465%	0.462%	0.448%	0.430%	0.425%	0.425%	0.425%	0.425%	0.425%	0.425%
10. INTEREST PROVISION (LINE C-4 X C-9)	635	634	644	633	613	604	558	506	470	440	416	390	354

EXHIBIT NO. _____
 DOCKET NO. 96003-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 31 OF 42

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

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD April-88 THROUGH December-89

MONTH	KWH/THERM SALES (\$00) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
88 APRIL	26,082	6,161	ACTUAL
MAY	28,153	6,648	ACTUAL
JUNE	42,959	10,147	ACTUAL
JULY	47,435	11,205	ACTUAL
AUGUST	40,725	9,619	ACTUAL
SEPTEMBER	41,166	9,724	ACTUAL
OCTOBER	38,651	9,129	ACTUAL
NOVEMBER	25,128	5,983	ACTUAL
DECEMBER	27,552	6,560	ACTUAL
89 JANUARY	30,336	7,222	0.02331
FEBRUARY	28,972	6,896	0.02381
MARCH	28,553	6,322	0.02381
SUB-TOTAL	<u>403,712</u>	<u>95,618</u>	
89 APRIL	25,596	2,841	0.01110
MAY	27,382	3,039	0.01110
JUNE	32,227	3,577	0.01110
JULY	36,097	4,007	0.01110
AUGUST	36,501	4,052	0.01110
SEPTEMBER	35,557	3,947	0.01110
OCTOBER	30,763	3,415	0.01110
NOVEMBER	28,191	2,907	0.01110
DECEMBER	28,611	3,176	0.01110
SUB-TOTAL	<u>278,925</u>	<u>140,938</u>	
TOTALS	<u>682,637</u>	<u>236,556</u>	

EXHIBIT NO _____
 DOCKET NO. 990002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-1)
 PAGE 32 OF 42

**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. 990002-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 8th and 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 1999 through December 1999: The number of program participants is projected to be 75 students.

PROGRAM FISCAL EXPENDITURES : For April 1999 through December 1999 : Projected expenses for this period are \$9,300.

PROGRAM PROGRESS SUMMARY : Program participants totaled 44 during the 1997-1998 school year. It is expected that more teachers and students will be participating during the upcoming school year due to positive student response to the program.

EXHIBIT NO. _____
DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 34 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 1999 through December 1999: The number of program participants is projected to be 12.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$6,400.

PROGRAM PROGRESS SUMMARY: In order to ensure that we meet our current and future goals FPUC will be sponsoring continuing education courses for building and HVAC contractors which will provide training in the areas of duct leakage identification and repair solutions. Contractors will then be in a better position to provide quality duct repair/installation services to FPUC customers. This training will be offered to area contractors in both service areas. The Fernandina Beach Division will be cosponsoring this training along with JEA and Clay Electric Cooperative. As with the Enhanced Good Cents Program we are offering these training seminars in cooperation with other utilities in order to allow us to offer these courses to local contractors at a much lower cost to us. With this training we feel confident that we can meet our PSC approved goals now and in the future.

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 1999 through December 1999: FPUC intends to implement this program over a five-year period. At this time participation goals have not been set. We will strive to educate consumers concerning geothermal technology in hopes that customer demand will make this technology more readily available in our service territory.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Expenditures for this period are expected to be approximately \$3,800.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this particular program we feel confident that by our efforts to promote this technology we will see a number geothermal installations in our service areas during the current year. We will continue to educate customers and strive to develop a network of installers in order to better promote this highly energy efficient heating and cooling source.

**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 1999 through December 1999: The number of program participants is projected to be 109.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$17,800.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through billing promotional materials, newspaper, and cable TV that we will see similar participation in this program in the future.

EXHIBIT NO. _____
DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-2)
PAGE 37 OF 42

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 1999 through December 1999: The number of program participants is projected to be 17.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$8,300.

PROGRAM PROGRESS SUMMARY: FPUC will continue to work with Social Service Agencies and Low-Income housing managers to provide information concerning weatherization programs and energy saving measures.

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

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

PROGRAM TITLE: FPUC Express Loan Program

PROGRAM DESCRIPTION: The objective of the FPUC 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 from participating banks in FPUC's service area 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 to a participating bank once the customer decides to install the conservation features. Along with the application, the FPUC representative will also provide the bank with a copy of the energy audit and a list of the specific energy conservation features recommended. 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. Confirmation of the installed features is provided to the participating bank. 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 1999 through December 1999: The number of program participants is projected to be 9.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$6,100.

PROGRAM PROGRESS SUMMARY: We feel this program will be extremely successful due to increased advertising and our new promotional efforts. During Residential Audits we will inform residents of the advantages of this program as well as through newspaper and cable television advertising. We will continue to nurture the close relationships we have built with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

EXHIBIT NO. _____
DOCKET NO. 990002-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. FPUC 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 PROJECTIONS: For April 1999 through December 1999: The number of program participants is projected to be 36.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$18,800.

PROGRAM PROGRESS SUMMARY: Program participation has been disappointing thus far despite our efforts to educate customers. Our department recently met with Good Cents Representatives at Gulf Power Company in Panama City, Florida. During this meeting some different ways to promote this program were identified. We will be taking what we learned in that meeting in order to re-focus our efforts to promote this program's benefits to the final consumer.

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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 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 1999 through December 1999: The number of program participants is expected to be 2.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$12,800.

PROGRAM PROGRESS SUMMARY: We contracted with Gulf Power in order to provide commercial services to our commercial/industrial customers. Utilizing aggressive advertising and by staying in contact with the decision-makers we will continue to make great progress in this area.

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 PROJECTIONS: For April 1999 through December 1999: The number of program participants is expected to be 11.

PROGRAM FISCAL EXPENDITURES: For April 1999 through December 1999: Projected expenses for this period are \$12,000.

PROGRAM PROGRESS SUMMARY: As has been stated previously, we have contracted with Gulf Power Company to provide these types of services to our customers. We have built trusting relationships with many of these customers by educating them concerning new technologies and by getting them in touch with people who could solve their particular problems. The work we have done in this area will continue to benefit FPUC by increased participation in this program.