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October 5, 2001

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COMMISSION
CLERK

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

BY HAND DELIVERY

Re: Docket No. 010004-GU; Florida Public Utilities Company

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of the following documents:

1. Florida Public Utilities Company's Petition for Approval of Conservation Cost Recovery Factors; *12662-01*
2. Direct Testimony of Robert L. Smith; and *12663-01*
3. Schedules C-1, C-2, C-3, and C-5.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,

Norman H. Horton, Jr.
Norman H. Horton, Jr.

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Enclosures
cc: Mr. Robert L. Smith
Parties of Record

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FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12662 OCT-5-01

FPSC-COMMISSION CLERK

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 010004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
ROBERT L. SMITH
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is P.O.
3 Box 3395, West Palm Beach, Florida 33402-3395.

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

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

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 January 2002 through December 2002 and to
12 clarify the use of "Good Cents" branding to
13 support Florida Public Utilities conservation
14 programs.

15 Q. What are the total projected costs for the
16 period January 2002 through December 2002 in the
17 Consolidated Natural Gas Division?

18 A. The total projected Conservation Program Costs

1 are \$1,860,000. Please see Schedule C-2, page 2,
2 for the programmatic and functional breakdown of
3 these total costs.

4 Q. What is the true-up for the period January, 2001
5 through December, 2001?

6 A. As reflected in the respective "C" schedules, the
7 True-up amount for the Consolidated Natural Gas
8 Division is \$190,818.

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

12 A. The total costs to be recovered are \$2,050,818.

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

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

18

19 Residential	\$.09208
20 General Service & GS Transportation	\$.03527
21 Large Volume Service & LV Transportation <50,000	\$.02360
22 Large Volume Transportation Service >50,000	\$.02360

23
24 Q. Are there any exhibits that you wish to sponsor in
25 this proceeding?

26 A. Yes. I wish to sponsor as Exhibits Schedules
27 C-1, C-2, C-3, and C-5 (Composite Prehearing

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

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

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

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

11 A. "Good Cents" is a nationally recognized licensed
12 energy conservation and fuel neutral program
13 utilized by numerous electric and natural gas
14 utilities. Florida Public Utilities has
15 expanded its branding license arrangement to
16 include the Commission approved natural gas
17 conservation programs.

18 Q. How does Florida Public Utilities utilize this
19 branding?

20 A. The Company uses the "Good Cents" branding to
21 create an awareness of its energy conservation
22 and fuel neutral programs among consumers,
23 businesses, builders and developers via
24 broadcast and print media, promotional items and
25 other collateral materials. Through this
26 branding, end users and specifiers can readily

1 identify where to obtain energy expertise to
2 assist them with their energy decisions.

3 Q. Does Florida Public Utilities Company expect to
4 make any modifications to the manner in which it
5 promotes the approved energy conservation programs
6 during the period January 1, 2002 through December
7 31, 2002?

8 A. Yes. Florida Public Utilities Company plans to
9 participate in the statewide GetGasFL advertising
10 campaign. The campaign will promote the energy
11 conservation benefits of gas through the use of
12 multiple media outlets. The intent of the campaign
13 is to direct consumers to a common website. The
14 website will contain additional benefits on the
15 utilization of gas, the availability of gas by
16 region, and contact information, as well as
17 specifics about the energy conservation programs
18 offered.

19 Q. Does the proposed campaign meet the guidelines for
20 recovery under Rule 25-17.015, Energy Conservation
21 Cost Recovery?

22 A. Yes, the proposed campaign meets the guidelines as
23 established by Rule 25-17.015, Energy Cost
24 Conservation Cost Recovery. The proposed

1 advertising content for the billboards is attached
2 as Exhibit No. ____ (RLS-3). The radio and
3 television advertising will be consistent with the
4 basic concept of the billboards.

5 Q. Has Florida Public Utilities Company included the
6 estimated cost of the campaign in the projected
7 costs associated with the conservation programs?

8 A. Yes the estimated cost of the campaign is included
9 in the projections. The projected amount to be
10 spent on the campaign during calendar year 2002 is
11 \$76,000.

12 Q. Does this conclude your testimony?

13 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2002 THROUGH DECEMBER 2002

1	TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	1,860,000
2	TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	190,818
3.	TOTAL (LINE 1 AND LINE 2)	2,050,818

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	451,672	10,518,990	3,613,376	3,525,124	7,138,500	963,722	13.50035%	0.09162	1.00503	0.09208
COMMERCIAL SMALL (General Service & GS Transportation)	36,690	12,283,510	550,350	2,642,552	3,192,902	431,053	13.50035%	0.03509	1.00503	0.03527
COMM LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	11,902	27,942,720	535,590	4,323,856	4,859,446	656,042	13.50035%	0.02348	1.00503	0.02360
LARGE VOL TRANSPORT. (LG VOL TRANS > 50,000 units)	0	0	0	0	0	0	13.50035%	0.02348	1.00503	0.02360
TOTAL	500,264	50,745,220	4,699,316	10,491,532	15,190,848	2,050,818				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	TOTAL
1 Full House Res New Construction	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	772,800
2 Resid Appliance Replacement	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	122,400
3 Conservation Education	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500
4 Space Conditioning	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,600
5 Residential Conservation Service	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	31,800
6 Residential Appliance Retention	36,150	36,150	36,150	36,150	36,150	36,150	36,150	36,150	36,150	36,150	36,150	36,150	433,800
10 Commercial Conservation	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400
13 Res Service Reactivation	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
14 Common	31,125	31,125	31,125	31,125	31,125	31,125	31,125	31,125	31,125	31,125	31,125	31,125	373,500
TOTAL ALL PROGRAMS	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	1,860,000

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED NATURAL GAS DIVISION
 ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction	0	42,000	26,400	60,000	625,200	9,600	6,000	3,600	772,800
2 Resid. Appliance Replacement	0	39,600	7,200	13,800	54,000	1,800	3,600	2,400	122,400
3 Conservation Education	0	9,600	15,000	9,500	0	2,400	1,500	2,400	40,500
4 Space Conditioning	0	8,400	2,400	2,400	6,000	4,800	2,400	1,200	27,600
5 Residential Conservation Service	0	6,000	6,000	10,800	0	3,600	3,600	1,800	31,800
6 Residential Appliance Retention	0	9,600	6,600	13,200	396,000	3,600	2,400	2,400	433,800
10 Commercial Conservation	0	8,400	3,600	9,600	0	6,000	3,600	1,200	32,400
13 Res Service Reactivation	0	0	2,400	6,000	16,800	0	0	0	25,200
14 Common	0	48,000	18,000	261,300	0	13,800	18,000	14,400	373,500
PROGRAM COSTS	0	171,600	87,600	386,700	1,098,000	45,600	41,100	29,400	1,860,000

EXHIBIT NO. _____
 DOCKET NO. 010004-GU
 FLORIDA PUBLIC UTILITIES COMPANY
 (RLS-2)
 PAGE 3 OF 17

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 SEPTEMBER 2001 THROUGH DECEMBER 2001

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction									
A. ACTUAL	0	561	13,864	9,260	398,676	3,395	841	1,771	428,368
B. ESTIMATED	0	0	0	0	142,340	0	0	0	142,340
C. TOTAL	0	561	13,864	9,260	541,016	3,395	841	1,771	570,708
2 Resid. Appliance Replacement									
A. ACTUAL	0	3,004	4,154	0	36,185	394	0	1,595	45,332
B. ESTIMATED	0	0	0	0	25,340	0	0	0	25,340
C. TOTAL	0	3,004	4,154	0	61,525	394	0	1,595	70,672
3 Conservation Education									
A. ACTUAL	0	2,910	4,075	0	0	1,450	0	1,500	9,935
B. ESTIMATED	0	0	5,200	0	0	0	0	0	5,200
C. TOTAL	0	2,910	9,275	0	0	1,450	0	1,500	15,135
4 Space Conditioning									
A. ACTUAL	0	2,403	668	149	3,915	3,362	0	0	10,497
B. ESTIMATED	0	0	0	0	8,000	0	0	0	8,000
C. TOTAL	0	2,403	668	149	11,915	3,362	0	0	18,497
5 Residential Conservation Service									
A. ACTUAL	0	2,360	1,881	0	619	376	0	0	5,236
B. ESTIMATED	0	0	3,400	0	0	0	0	1,800	5,200
C. TOTAL	0	2,360	5,281	0	619	376	0	1,800	10,436
6 Residential Appliance Retention									
A. ACTUAL	0	0	4,074	3,546	267,866	840	0	1,500	277,826
B. ESTIMATED	0	0	0	0	34,600	0	0	0	34,600
C. TOTAL	0	0	4,074	3,546	302,466	840	0	1,500	312,426
SUB-TOTAL	0	11,238	37,316	12,955	917,541	9,817	841	8,166	997,874

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
SEPTEMBER 2001 THROUGH DECEMBER 2001

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	11,238	37,316	12,955	917,541	9,817	841	8,166	997,874
10 Commercial Conservation									
A. ACTUAL	0	0	950	4,006	0	0	0	0	4,956
B. ESTIMATED	0	0	3,400	0	0	0	0	1,800	5,200
C. TOTAL	0	0	4,350	4,006	0	0	0	1,800	10,156
13 Res. Service Reactivation									
A. ACTUAL	0	0	495	1,900	370	0	0	0	2,765
B. ESTIMATED	0	0	0	0	8,000	0	0	0	8,000
C. TOTAL	0	0	495	1,900	8,370	0	0	0	10,765
14 Common									
A. ACTUAL	0	28,847	3,283	25,962	0	9,980	6,194	9,423	83,689
B. ESTIMATED	0	45,500	4,533	82,367	0	1,200	13,700	4,700	152,000
C. TOTAL	0	74,347	7,816	108,329	0	11,180	19,894	14,123	235,689
TOTAL	0	85,585	49,977	127,190	925,911	20,997	20,735	24,089	1,254,484

EXHIBIT NO. _____
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FLORIDA PUBLIC UTILITIES COMPANY
(RLS-2)
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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2001 THROUGH DECEMBER 2001

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	NOV 2001	DEC 2001	
Full House Res New Construction	58,895	12,817	11,264	149,112	25,684	41,725	102,862	28,008	35,585	35,585	35,585	35,585	570,707
Resid Appliance Replacement	5,008	7,058	4,719	7,270	6,608	6,561	3,930	4,179	6,335	6,335	6,335	6,335	70,673
Conservation Education	147	1,568	3,050	1,175	3,535	50	0	410	1,300	1,300	1,300	1,300	15,135
Space Conditioning	3,135	(99)	500	3,749	350	1,200	1,662	0	2,000	2,000	2,000	2,000	18,497
Residential Conservation Service	2,644	326	463	0	1,726	77	0	0	1,300	1,300	1,300	1,300	10,436
Residential Appliance Retention	30,179	38,532	33,979	38,192	35,991	30,839	35,349	34,765	8,650	8,650	8,650	8,650	312,426
Commercial Conservation	0	4,006	500	0	68	382	0	0	1,300	1,300	1,300	1,300	10,156
Res Service Reactivation	20	900	1,845	0	0	0	0	0	2,000	2,000	2,000	2,000	10,765
Common	3,087	9,670	11,621	6,648	9,036	15,297	15,416	12,914	38,000	38,000	38,000	38,000	235,689
TOTAL ALL PROGRAMS	103,115	74,778	67,941	206,146	82,998	96,131	159,219	78,276	96,470	96,470	96,470	96,470	1,254,484

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2001 THROUGH DECEMBER 2001

	ACTUAL								PROJECTION				TOTAL
	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	NOV 2001	DEC 2001	
CONSERVATION REVS													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a OTHER PROG REV	0	0	0	0	0	0	0	0	0	0	0	0	0
b	0	0	0	0	0	0	0	0	0	0	0	0	0
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV (NET OF REV TAXES)	165,149	130,417	109,466	98,195	87,604	71,731	64,983	62,780	96,470	96,470	96,470	96,470	1,176,205
TOTAL REVENUES	165,149	130,417	109,466	98,195	87,604	71,731	64,983	62,780	96,470	96,470	96,470	96,470	1,176,205
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	(107,059)
CONSERVATION REVS APPLIC TO PERIOD	165,149	130,417	109,466	98,195	87,604	71,731	64,983	62,780	96,470	96,470	96,470	96,470	1,176,205
CONSERVATION EXPS (FORM C-3, PAGE 3)	103,115	74,778	67,941	206,146	82,996	96,131	159,219	78,276	96,470	96,470	96,470	96,470	1,254,484
TRUE-UP THIS PERIOD	62,034	55,639	41,525	(107,951)	4,606	(24,400)	(94,236)	(15,496)	0	0	0	0	(78,279)
INTEREST THIS PERIOD (C-3,PAGE 5)	(382)	(78)	131	(8)	(186)	(206)	(384)	(532)	(775)	(1,014)	(1,019)	(1,025)	(5,480)
TRUE-UP & INT BEG OF MONTH	(107,059)	(45,407)	10,154	51,810	(56,150)	(51,730)	(76,337)	(170,957)	(186,985)	(187,760)	(188,774)	(189,793)	(107,059)
PRIOR TRUE-UP COLLECT./(REFUND)	0	0	0	0	0	0	0	0	0	0	0	0	0
END OF PERIOD TOTAL NET TRUE-UP	(45,407)	10,154	51,810	(56,150)	(51,730)	(76,337)	(170,957)	(186,985)	(187,760)	(188,774)	(189,793)	(190,818)	(190,818)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2001 THROUGH DECEMBER 2001

	ACTUAL								PROJECTION				TOTAL
	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	NOV 2001	DEC 2001	
INTEREST PROVISION													
BEGINNING TRUE-UP	(107,059)	(45,407)	10,154	51,810	(56,150)	(51,730)	(76,337)	(170,957)	(186,985)	(187,760)	(188,774)	(189,793)	
END T-UP BEFORE INT	(45,025)	10,232	51,679	(56,141)	(51,544)	(76,130)	(170,573)	(186,453)	(186,985)	(187,760)	(188,774)	(189,793)	
TOT. BEG & END T-UP	(152,084)	(35,175)	61,833	(4,332)	(107,694)	(127,861)	(246,909)	(357,409)	(373,969)	(375,519)	(377,547)	(379,585)	
AVERAGE TRUE-UP	(76,042)	(17,587)	30,916	(2,166)	(53,847)	(63,930)	(123,455)	(178,705)	(186,985)	(187,760)	(188,774)	(189,793)	
INT RATE-FIRST DAY OF REPORTING BUS MTH	6.50%	5.55%	5.15%	5.00%	4.37%	3.94%	3.80%	3.67%	3.47%	6.48%	6.48%	6.48%	
INT RATE-FIRST DAY OF SUBSEQUENT BUS MTH	5.55%	5.15%	5.00%	4.37%	3.94%	3.80%	3.67%	3.47%	6.48%	6.48%	6.48%	6.48%	
TOTAL	12.05%	10.70%	10.15%	9.37%	8.31%	7.74%	7.47%	7.14%	9.95%	12.96%	12.96%	12.96%	
AVG INTEREST RATE	6.03%	5.35%	5.08%	4.69%	4.16%	3.87%	3.74%	3.57%	4.98%	6.48%	6.48%	6.48%	
MONTHLY AVG RATE	0.50%	0.45%	0.42%	0.39%	0.35%	0.32%	0.31%	0.30%	0.41%	0.54%	0.54%	0.54%	
INTEREST PROVISION	(\$382)	(\$78)	\$131	(\$8)	(\$186)	(\$206)	(\$384)	(\$532)	(\$775)	(\$1,014)	(\$1,019)	(\$1,025)	(\$5,480)

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

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

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

**EXHIBIT NO. _____
DOCKET NO. 010004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 9 OF 17**

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

**SCHEDULE C-5
PAGE 2 OF 9**

PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 900 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$772,800.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through August 31, 2001, FPUC has connected 1,228 single- and multi-family homes to its natural gas system.

**EXHIBIT NO. _____
DOCKET NO. 010004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 10 OF 17**

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

**SCHEDULE C-5
PAGE 3 OF 9**

PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 250 natural gas appliances will be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$122,400.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through August 2001, FPUC has connected 243 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

**EXHIBIT NO. _____
DOCKET NO. 010004-GU
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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Water Heater \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 960 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$433,800.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2001, FPUC has retained 872 natural gas water heaters connected to its distributions system.

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

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 48 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$25,200.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2001, FPUC has not reactivated any services with water heaters as a result of this program.

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**FLORIDA PUBLIC UTILITIES COMPANY
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PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Conservation Service Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$31,800.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through August 31, 2001, only 6 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

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

**SCHEDULE C-5
PAGE 7 OF 9**

PROGRAM TITLE:

Commercial Conservation Service Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 50 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$32,400.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2001, 70 commercial customers have participated.

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

**SCHEDULE C-5
PAGE 8 OF 9**

PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

For the twelve-month period of January to December 2002, FPUC estimates that 25 adult and youth presentations with 750 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2002, FPUC estimates expenses of \$40,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2001, FPUC has given 35 adult and youth presentations.

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PROGRAM DESCRIPTION AND PROGRESS

SCHEDULE C-5
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PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2002, FPUC estimates that 5 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2002, FPUC estimates expenses of \$27,600.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2001, FPUC has connected 5 space conditioning projects to its natural gas system.

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Objectives

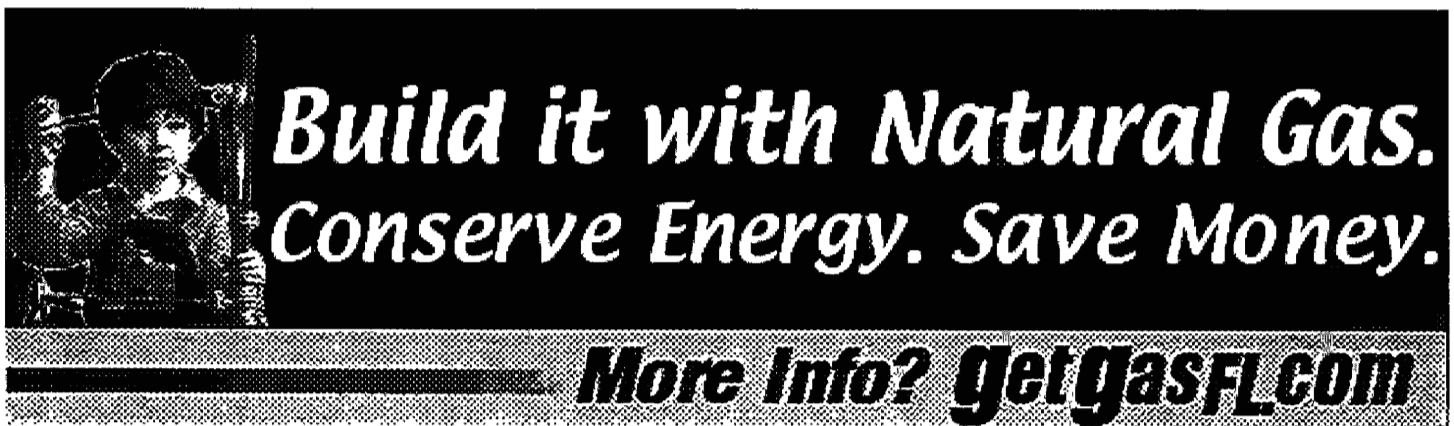
- Increase awareness of conservation programs
- Increase customers and throughput
- Increase gas demand in new home construction
- Position gas as the preferred energy choice when available
- Reduce attrition

Billboards

- Major highways: I-95 / I-4 / I-75 / I-10 / Turnpike
- Boards face both directions
- Tied to radio and television
- Promote web-site as focal point for customers to learn about ECP



10'6" x 36' 14" Scale



10'6" x 36' 14" Scale



**99% of Chefs PREFER GAS.
THE OTHER GUY MAKES SUSHI.**

More Info? getgasFL.com

10'6" x 36' 14" Scale



**Getting The Cold Shoulder?
Switch Water Heaters!**

More Info? getgasFL.com

10'6" x 36' 14" Scale

Radio

- **Based on basic concept of the billboards**
- **Two weeks on, two weeks off during course of the year**
- **Target market 35-64**
- **Adult listening, Country, and talk radio**
- **Meet requirements of ECP recovery rule**
- **Direct listeners to website for additional information**

Television

- **Based on radio and billboards**
- **Utilize main cable systems**
- **Two weeks per month**
- **Target market 35-64**
- **Meet requirements of ECP recovery rule**
- **Direct viewers to website for additional information**

Website

- **www.GetGasFL.com**
- **Energy conservation benefits of gas**
- **Availability of conservation programs**
- **Contact information and links to company website**
- **Tracking**