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January 18, 2002

Blanca Bayó, Director
The Commission Clerk and Administrative Services
Florida Public Service Commission
Easley Building, Room 110
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

020004-GU

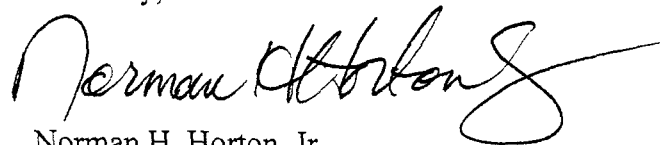
Re: Extension of Florida Public Utilities Company's Conservation Programs and Rates
to Customers in the New Smyrna Beach District

Dear Ms. Bayó:

Florida Public Utilities Company ("FPUC") recently completed its purchase of the operating assets of South Florida Natural Gas ("SFNG") from Southern Union Company and is now the provider of natural gas service to the former customers of SFNG. FPUC has an existing approved conservation program in Docket #010004-GU. We request that these programs extended to this service area and allow approval of charging conservation rates to these customers. We request approval by the Commission for the extension of the programs and rates, as attached, to those former SFNG customers now served by FPUC. We request an implementation of the rates and programs to these customers effective March 1, 2002.

If you have any questions, please do not hesitate to call me.

Sincerely,



Norman H. Horton, Jr.

NHH:dle

cc: Cheryl Martin
Wayne Makin

DOCUMENT NUMBER-DATE
00677 JAN 18 02
FPSC-COMMISSION CLERK

Originally filed

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)	159,786
3. TOTAL (LINE 1 AND LINE 2)	2,019,786

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	949,140	13.29607%	0.09023	1.00503	0.09068
COMMERCIAL SMALL (General Service & GS Transportation)	36,690	12,283,510	550,350	2,642,552	3,192,902	424,531	13.29607%	0.03456	1.00503	0.03473
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	11,902	27,942,720	535,590	4,323,856	4,859,446	646,115	13.29607%	0.02312	1.00503	0.02324
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	13.29607%	0.02312	1.00503	0.02324
TOTAL	500,264	50,745,220	4,699,316	10,491,532	15,190,848	2,019,786				

Florida Public Utilities Company
 Schedule of Incremental Effect of (Former SFNG) Customers to Conservation Revenue
 Projected March 2002 - December 2002

Conservation Revenues:

Residential:	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Add'l Customers Re: Acquisition	4,320	4,305	4,193	4,071	4,049	4,037	4,042	4,081	4,156	4,276	
Units (Therms)	129,600	86,100	83,860	40,710	40,490	40,370	40,420	40,810	83,120	128,280	713,760
Conservation Factor @ 0.09068	11,752	7,808	7,604	3,692	3,672	3,661	3,665	3,701	7,537	11,632	\$64,724

General Service:	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Add'l Customers Re: Acquisition	361	356	358	350	353	348	349	349	353	356	
Units (Therms)	202,160	167,320	139,620	108,500	112,960	93,960	101,210	104,700	155,320	178,000	1,363,750
Conservation Factor @ 0.03473	7,021	5,811	4,849	3,768	3,923	3,263	3,515	3,636	5,394	6,182	\$47,363

Total Conservation Revenue \$112,087

Conservation Costs:

	<u>Residential</u>	<u>General Service</u>	<u>Total</u>		
Units (Therms)	713,760	1,363,750	2,077,510	Originally filed total	\$2,019,786
@ Cost Recovery Rate	0.09023	0.03456		* Incremental increase due to new customers	\$111,534
Incremental Cost	<u>64,403</u>	<u>47,131</u>	<u>111,534</u> *	Total Conservation Costs	<u>\$2,131,320</u>