

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2003 THROUGH DECEMBER 2003

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,360,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	44,546
3. TOTAL (LINE 1 AND LINE 2)	2,404,546

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	522,065	12,345,830	4,176,520	4,137,335	8,313,855	1,121,851	13.49375%	0.09087	1.00503	0.09133
COMMERCIAL SMALL (General Service & GS Transportation)	43,146	15,283,900	647,190	3,288,025	3,935,215	531,008	13.49375%	0.03474	1.00503	0.03492
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	11,240	32,731,280	505,800	5,064,838	5,570,638	751,688	13.49375%	0.02297	1.00503	0.02308
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	13.49375%	0.02297	1.00503	0.02308
TOTAL	576,451	60,361,010	5,329,510	12,490,198	17,819,708	2,404,546				

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DOCUMENT PREPARED DATE

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REGISTRATION CLERK

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	TOTAL
1 Full House Res New Construction	80,050	80,050	80,050	80,050	80,050	80,050	80,050	80,050	80,050	80,050	80,050	80,050	960,600
2 Resid. Appliance Replacement	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,862	130,300
3 Conservation Education	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
4 Space Conditioning	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,587	67,000
5 Residential Conservation Service	3,625	3,625	3,625	3,625	3,625	3,625	3,625	3,625	3,625	3,625	3,625	3,625	43,500
6 Residential Appliance Retention	40,367	40,367	40,367	40,367	40,367	40,367	40,367	40,367	40,367	40,367	40,367	40,363	484,400
10 Commercial Conservation	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,413	41,000
13 Res. Service Reactivation	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,400
14 Common	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,813	549,800
TOTAL ALL PROGRAMS	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,667</u>	<u>196,663</u>	<u>2,360,000</u>

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction	0	60,000	27,400	60,000	780,000	26,200	0	7,000	960,600
2 Resid. Appliance Replacement	0	42,000	7,700	13,800	60,000	1,800	0	5,000	130,300
3 Conservation Education	0	10,000	16,000	9,600	0	4,400	0	5,000	45,000
4 Space Conditioning	0	12,000	2,400	2,400	42,000	5,200	0	3,000	67,000
5 Residential Conservation Service	0	6,000	6,000	11,300	1,200	14,000	0	5,000	43,500
6 Residential Appliance Retention	0	42,000	8,600	14,200	410,000	3,600	0	6,000	484,400
10 Commercial Conservation	0	8,400	3,600	10,500	0	14,500	0	4,000	41,000
13 Res Service Reactivation	0	9,600	2,600	6,200	20,000	0	0	0	38,400
14 Common	0	126,900	20,000	274,900	0	43,800	54,200	30,000	549,800
PROGRAM COSTS	<u>0</u>	<u>316,900</u>	<u>94,300</u>	<u>402,900</u>	<u>1,313,200</u>	<u>113,500</u>	<u>54,200</u>	<u>65,000</u>	<u>2,360,000</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction									
A. ACTUAL	0	0	6,271	3,686	518,021	13,322	0	0	541,300
B. ESTIMATED	0	14,980	9,320	20,410	219,010	3,610	2,210	1,260	270,800
C. TOTAL	0	14,980	15,591	24,096	737,031	16,932	2,210	1,260	812,100
2 Resid. Appliance Replacement									
A. ACTUAL	0	0	0	5,506	40,084	0	0	0	45,590
B. ESTIMATED	0	14,140	2,620	4,690	18,700	610	1,220	820	42,800
C. TOTAL	0	14,140	2,620	10,196	58,784	610	1,220	820	88,390
3 Conservation Education									
A. ACTUAL	0	284	1,129	6,303	0	649	0	0	8,365
B. ESTIMATED	0	3,410	5,460	3,280	0	820	510	820	14,300
C. TOTAL	0	3,694	6,589	9,583	0	1,469	510	820	22,665
4 Space Conditioning									
A. ACTUAL	0	0	0	480	28,100	0	0	0	28,580
B. ESTIMATED	0	2,960	810	810	2,040	1,760	810	410	9,600
C. TOTAL	0	2,960	810	1,290	30,140	1,760	810	410	38,180
5 Residential Conservation Service									
A. ACTUAL	0	0	0	1,984	76	9,075	0	0	11,135
B. ESTIMATED	0	2,030	2,030	3,820	0	1,290	1,220	610	11,000
C. TOTAL	0	2,030	2,030	5,804	76	10,365	1,220	610	22,135
6 Residential Appliance Retention									
A. ACTUAL	0	0	0	3,352	241,664	0	0	0	245,016
B. ESTIMATED	0	3,610	2,930	4,840	138,350	1,230	820	820	152,600
C. TOTAL	0	3,610	2,930	8,192	380,014	1,230	820	820	397,616
SUB-TOTAL	0	41,414	30,570	59,161	1,206,045	32,366	6,790	4,740	1,381,086

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	41,414	30,570	59,161	1,206,045	32,366	6,790	4,740	1,381,086
10 Commercial Conservation									
A. ACTUAL	0	0	1,070	0	0	9,622	0	0	10,692
B. ESTIMATED	0	2,880	1,240	3,600	0	2,160	1,240	480	11,600
C. TOTAL	0	2,880	2,310	3,600	0	11,782	1,240	480	22,292
13 Res. Service Reactivation									
A. ACTUAL	0	0	0	1,813	0	0	0	0	1,813
B. ESTIMATED	0	0	880	2,110	5,810	0	0	0	8,800
C. TOTAL	0	0	880	3,923	5,810	0	0	0	10,613
14 Common									
A. ACTUAL	0	43,939	2,167	109,536	0	20,160	3,370	516	179,688
B. ESTIMATED	0	17,100	6,840	90,710	0	4,720	6,500	6,630	132,500
C. TOTAL	0	61,039	9,007	200,246	0	24,880	9,870	7,146	312,188
TOTAL	<u>0</u>	<u>105,333</u>	<u>42,767</u>	<u>266,930</u>	<u>1,211,855</u>	<u>69,028</u>	<u>17,900</u>	<u>12,366</u>	<u>1,726,179</u>

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CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	
Full House Res. New Construction	38,123	57,427	98,692	35,768	128,369	108,364	44,569	29,968	67,700	67,700	67,700	67,700	812,100
Resid. Appliance Replacement	7,429	3,560	8,660	6,770	5,520	2,130	4,091	7,430	10,700	10,700	10,700	10,700	88,390
Conservation Education	900	4,914	294	206	582	206	577	686	3,575	3,575	3,575	3,575	22,665
Space Conditioning	25,000	350	0	0	1,200	0	1,200	830	2,400	2,400	2,400	2,400	38,180
Residential Conservation Service	2,040	3,834	2,190	360	0	2,155	76	480	2,750	2,750	2,750	2,750	22,135
Residential Appliance Retention	42,480	35,723	30,060	32,200	25,137	22,050	30,986	26,380	38,150	38,150	38,150	38,150	397,616
Commercial Conservation	1,203	1,203	1,203	1,203	1,203	2,274	1,203	1,200	2,900	2,900	2,900	2,900	22,292
Res. Service Reactivation	900	913	0	0	0	0	0	0	2,200	2,200	2,200	2,200	10,613
Common	12,220	27,429	14,466	25,715	37,703	18,885	24,026	19,244	33,125	33,125	33,125	33,125	312,188
TOTAL ALL PROGRAMS	130,295	135,353	155,565	102,222	199,714	156,084	106,728	86,218	163,500	163,500	163,500	163,500	1,726,179

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2002 THROUGH DECEMBER 2002

	ACTUAL						PROJECTION						TOTAL
	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	
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)	248,662	197,855	204,749	164,108	131,766	129,043	123,033	107,306	173,274	173,274	173,274	173,274	1,999,618
TOTAL REVENUES	248,662	197,855	204,749	164,108	131,766	129,043	123,033	107,306	173,274	173,274	173,274	173,274	1,999,618
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(26,347)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(26,351)	(316,208)
CONSERVATION REVS. APPLIC TO PERIOD	222,315	171,504	178,398	137,757	105,415	102,692	96,682	80,955	146,923	146,923	146,923	146,923	1,683,410
CONSERVATION EXPS. (FORM C-3, PAGE 3)	130,295	135,353	155,565	102,222	199,714	156,084	106,728	86,218	163,500	163,500	163,500	163,500	1,726,179
TRUE-UP THIS PERIOD	92,020	36,151	22,833	35,535	(94,299)	(53,392)	(10,046)	(5,263)	(16,577)	(16,577)	(16,577)	(16,577)	(42,769)
INTEREST THIS PERIOD (C-3,PAGE 5)	(380)	(245)	(165)	(83)	(87)	(156)	(163)	(134)	(112)	(98)	(84)	(70)	(1,777)
TRUE-UP & INT. BEG. OF MONTH	(316,208)	(198,221)	(135,964)	(86,945)	(25,142)	(93,176)	(120,374)	(104,232)	(83,278)	(73,616)	(63,940)	(54,250)	(316,208)
PRIOR TRUE-UP COLLECT.(REFUND.)	26,347	26,351	26,351	26,351	26,351	26,351	26,351	26,351	26,351	26,351	26,351	26,351	316,208
END OF PERIOD TOTAL NET TRUE-UP	(198,221)	(135,964)	(86,945)	(25,142)	(93,176)	(120,374)	(104,232)	(83,278)	(73,616)	(63,940)	(54,250)	(44,546)	(44,546)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	ACTUAL								PROJECTION				TOTAL
	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	
INTEREST PROVISION													
BEGINNING TRUE-UP	(316,208)	(198,221)	(135,964)	(86,945)	(25,142)	(93,176)	(120,374)	(104,232)	(83,278)	(73,616)	(63,940)	(54,250)	
END T-UP BEFORE INT	(197,841)	(135,719)	(86,780)	(25,059)	(93,090)	(120,217)	(104,069)	(83,144)	(73,504)	(63,842)	(54,166)	(44,476)	
TOT. BEG & END T-UP	(514,049)	(333,940)	(222,744)	(112,004)	(118,231)	(213,394)	(224,443)	(187,376)	(156,782)	(137,458)	(118,106)	(98,726)	
AVERAGE TRUE-UP	(257,025)	(166,970)	(111,372)	(56,002)	(59,116)	(106,697)	(112,221)	(93,688)	(78,391)	(68,729)	(59,053)	(49,363)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.71%	1.71%	1.71%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.71%	1.71%	1.71%	1.71%	
TOTAL	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.42%	3.42%	3.42%	3.42%	
AVG INTEREST RATE	1.78%	1.76%	1.78%	1.78%	1.76%	1.76%	1.74%	1.72%	1.71%	1.71%	1.71%	1.71%	
MONTHLY AVG RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
INTEREST PROVISION	(\$380)	(\$245)	(\$165)	(\$83)	(\$87)	(\$156)	(\$163)	(\$134)	(\$112)	(\$98)	(\$84)	(\$70)	(\$1,777)

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

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

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**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 2003, FPUC estimates that 1,100 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 2003, FPUC estimates expenses of \$960,600.

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, 2002, FPUC has connected 2,162 single- and multi-family homes to its natural gas system.

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**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 2003, FPUC estimates that 200 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 2003, FPUC estimates expenses of \$130,300.

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 2002, FPUC has connected 385 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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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 2003, FPUC estimates that 960 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC estimates expenses of \$484,400.

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, 2002, FPUC has retained 1,545 natural gas water heaters connected to its distributions system.

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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2003, FPUC estimates that 36 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC estimates expenses of \$38,400.

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, 2002, FPUC has not reactivated any services with water heaters as a result of this program.

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 2003, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC estimates expenses of \$43,500.

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, 2002, only 18 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.

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

**SCHEDULE C-5
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PROGRAM TITLE:

Commercial Conservation Service Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2003, 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 \$41,000.

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, 2002, 100 commercial customers have participated.

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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:

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 PROJECTIONS:

For the twelve-month period of January to December 2003, 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 \$45,000.

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, 2002, FPUC has given 55 adult and youth presentations.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISION
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 2003, FPUC estimates that 5 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2003, FPUC estimates expenses of \$67,000.

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, 2002, FPUC has connected 8 space conditioning projects to its natural gas system.

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