

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2004 THROUGH DECEMBER 2004

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,178,300
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(139,864)
3. TOTAL (LINE 1 AND LINE 2)	2,038,436

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	514,599	10,849,690	4,116,792	3,635,948	7,752,740	963,255	12.42470%	0.08878	1.00503	0.08923
COMMERCIAL SMALL (General Service & GS Transportation)	40,736	12,979,770	611,040	2,792,338	3,403,378	422,859	12.42470%	0.03258	1.00503	0.03274
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	13,445	30,019,240	605,025	4,645,177	5,250,202	652,322	12.42470%	0.02173	1.00503	0.02184
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	12.42470%	0.02173	1.00503	0.02184
TOTAL	568,780	53,848,700	5,332,857	11,073,463	16,406,320	2,038,436				

EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(RLS-2)
PAGE 1 OF 17

FPSC-COMMISSION CLERK
 09325 SEP 29 8
 10:01 AM EST

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

PROGRAM	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
1 Full House Res New Construction	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	885,600
2 Resid Appliance Replacement	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,858	10,860	10,860	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	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	33,300
5 Residential Conservation Service	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	34,500
6 Residential Appliance Retention	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,033	37,035	37,035	444,400
10 Commercial Conservation	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,665	2,665	32,000
13 Res Service Reactivation	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	23,400
14 Common	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,817	45,815	45,815	549,800
TOTAL ALL PROGRAMS	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	181,525	2,178,300

EXHIBIT NO. _____
 DOCKET NO. 030004-GU
 FLORIDA PUBLIC UTILITIES COMPANY
 (RLS-2)
 PAGE 2 OF 17

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

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	705,000	26,200	0	7,000	885,600
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	10,000	3,500	0	3,000	33,300
5 Residential Conservation Service	0	6,000	6,000	11,300	1,200	5,000	0	5,000	34,500
6 Residential Appliance Retention	0	42,000	8,600	14,200	370,000	3,600	0	6,000	444,400
10 Commercial Conservation	0	8,400	3,600	10,500	0	5,500	0	4,000	32,000
13 Res Service Reactivation	0	9,600	2,600	6,200	5,000	0	0	0	23,400
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>1,151,200</u>	<u>93,800</u>	<u>54,200</u>	<u>65,000</u>	<u>2,178,300</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Res. New Construction									
A. ACTUAL	0	20,182	14,764	74,204	375,030	28,981	6,131	470	519,762
B. ESTIMATED	0	20,000	9,130	20,000	260,010	8,730	0	2,330	320,200
C. TOTAL	0	40,182	23,894	94,204	635,040	37,711	6,131	2,800	839,962
2 Resid. Appliance Replacement									
A. ACTUAL	0	6,717	0	1,930	34,966	0	0	0	43,613
B. ESTIMATED	0	14,000	2,570	4,600	20,000	600	0	1,670	43,440
C. TOTAL	0	20,717	2,570	6,530	54,966	600	0	1,670	87,053
3 Conservation Education									
A. ACTUAL	0	0	1,660	21,095	0	0	0	0	22,755
B. ESTIMATED	0	3,330	5,330	3,200	0	1,470	0	1,670	15,000
C. TOTAL	0	3,330	6,990	24,295	0	1,470	0	1,670	37,755
4 Space Conditioning									
A. ACTUAL	0	3,243	1,140	1,025	0	21,840	0	0	27,248
B. ESTIMATED	0	4,000	800	800	14,000	1,740	0	1,000	22,340
C. TOTAL	0	7,243	1,940	1,825	14,000	23,580	0	1,000	49,588
5 Residential Conservation Service									
A. ACTUAL	0	4,183	0	50	0	1,455	0	0	5,688
B. ESTIMATED	0	2,000	2,000	3,770	400	4,660	0	1,670	14,500
C. TOTAL	0	6,183	2,000	3,820	400	6,115	0	1,670	20,188
6 Residential Appliance Retention									
A. ACTUAL	0	9,931	0	6,680	207,895	0	0	0	224,506
B. ESTIMATED	0	14,000	2,870	4,730	136,660	1,200	0	2,000	161,460
C. TOTAL	0	23,931	2,870	11,410	344,555	1,200	0	2,000	385,966
SUB-TOTAL	0	101,586	40,264	142,084	1,048,961	70,676	6,131	10,810	1,420,512

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	101,586	40,264	142,084	1,048,961	70,676	6,131	10,810	1,420,512
10 Commercial Conservation									
A. ACTUAL	0	13,689	1,371	616	15	1,340	0	15	17,046
B. ESTIMATED	0	2,800	1,200	3,500	0	4,830	0	1,330	13,660
C. TOTAL	0	16,489	2,571	4,116	15	6,170	0	1,345	30,706
13 Res. Service Reactivation									
A. ACTUAL	0	0	0	900	0	0	0	0	900
B. ESTIMATED	0	3,190	870	2,070	6,670	0	0	0	12,800
C. TOTAL	0	3,190	870	2,970	6,670	0	0	0	13,700
14 Common									
A. ACTUAL	0	69,581	13,989	244,526	0	8,774	4,692	780	342,342
B. ESTIMATED	0	42,300	6,670	91,620	0	14,600	18,070	10,000	183,260
C. TOTAL	0	111,881	20,659	336,146	0	23,374	22,762	10,780	525,602
TOTAL	0	233,146	64,364	485,316	1,055,646	100,220	28,893	22,935	1,990,520

EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(RLS-2)
PAGE 5 OF 17

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
Full House Res New Construction	73,741	55,051	74,384	110,570	58,576	52,564	50,095	44,781	80,050	80,050	80,050	80,050	839,962
Resid Appliance Replacement	5,529	7,718	5,558	3,831	6,414	7,237	3,270	4,056	10,858	10,858	10,862	10,862	67,053
Conservation Education	206	1,106	206	206	9,171	2,319	1,830	7,711	3,750	3,750	3,750	3,750	37,755
Space Conditioning	1,188	3,428	3,249	4,511	4,558	3,422	3,431	3,461	5,583	5,583	5,587	5,587	49,588
Residential Conservation Service	610	1,744	773	571	522	670	396	402	3,625	3,625	3,625	3,625	20,188
Residential Appliance Retention	37,636	31,176	31,841	26,858	22,616	25,867	19,882	28,628	40,367	40,367	40,365	40,363	385,966
Commercial Conservation	2,686	1,439	1,494	1,743	3,439	2,200	1,656	2,389	3,417	3,417	3,413	3,413	30,706
Res Service Reactivation	0	900	0	0	0	0	0	0	3,200	3,200	3,200	3,200	13,700
Common	52,310	17,166	76,077	50,528	46,799	36,139	31,294	32,029	45,817	45,817	45,813	45,813	525,602
TOTAL ALL PROGRAMS	173,906	119,728	193,582	198,818	152,095	130,418	111,854	123,457	196,667	196,667	196,665	196,663	1,990,520

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
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)	297,031	259,207	195,527	180,601	156,287	132,627	123,953	121,126	196,667	196,667	196,667	196,663	2,253,023
TOTAL REVENUES	297,031	259,207	195,527	180,601	156,287	132,627	123,953	121,126	196,667	196,667	196,667	196,663	2,253,023
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	(10,326)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(10,324)	(123,890)
CONSERVATION REVS APPLIC TO PERIOD	286,705	248,883	185,203	170,277	145,963	122,303	113,629	110,802	186,343	186,343	186,343	186,339	2,129,133
CONSERVATION EXPS (FORM C-3, PAGE 3)	173,906	119,728	193,582	198,818	152,095	130,418	111,854	123,457	196,667	196,667	196,665	196,663	1,990,520
TRUE-UP THIS PERIOD	112,799	129,155	(8,379)	(28,541)	(6,132)	(8,115)	1,775	(12,655)	(10,324)	(10,324)	(10,322)	(10,324)	138,613
INTEREST THIS PERIOD (C-3,PAGE 5)	(66)	72	141	130	125	118	116	123	123	123	123	123	1,251
TRUE-UP & INT BEG OF MONTH	(123,890)	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	(123,890)
PRIOR TRUE-UP COLLECT (REFUND)	10,326	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	123,890
END OF PERIOD TOTAL NET TRUE-UP	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	139,864	139,864

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
INTEREST PROVISION													
BEGINNING TRUE-UP	(123,890)	(831)	138,720	140,806	122,719	127,036	129,363	141,578	139,370	139,493	139,616	139,741	
END T-UP BEFORE INT	(765)	138,648	140,665	122,589	126,911	129,245	141,462	139,247	139,370	139,493	139,618	139,741	
TOT BEG & END T-UP	(124,655)	137,816	279,385	263,396	249,631	256,281	270,825	280,825	278,740	278,986	279,234	279,482	
AVERAGE TRUE-UP	(62,328)	68,908	139,692	131,698	124,815	128,141	135,413	140,413	139,370	139,493	139,617	139,741	
INT RATE-FIRST DAY OF REPORTING BUS MTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	
INT RATE-FIRST DAY OF SUBSEQUENT BUS MTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	
TOTAL	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	
AVG INTEREST RATE	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	
MONTHLY AVG RATE	0.11%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
INTEREST PROVISION	(\$66)	\$72	\$141	\$130	\$125	\$118	\$116	\$123	\$123	\$123	\$123	\$123	\$1,251

**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. 030004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 9 OF 17**

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 2004, 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 2004, FPUC estimates expenses of \$885,600.

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, 2003, FPUC has connected 3,008 single- and multi-family homes to its natural gas system.

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 2004, 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 2004, 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 2003, FPUC has connected 579 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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 2004, FPUC estimates that 960 water heaters will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$444,400.

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, 2003, FPUC has retained 2,511 natural gas water heaters connected to its distributions system.

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 2004, FPUC estimates that 10 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$23,400.

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, 2003, 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 2004, FPUC estimates that 20 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$34,500.

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, 2003, 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
CONSOLIDATED NATURAL GAS DIVISION
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 2004, FPUC estimates that 50 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$32,000.

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, 2003, 100 commercial customers have participated.

**EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 15 OF 17**

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
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 2004, FPUC estimates that 25 adult and youth presentations with 250 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2004, 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, 2003, FPUC has given 55 adult and youth presentations.

**EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 16 OF 17**

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

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

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 2004, FPUC estimates that 1 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2004, FPUC estimates expenses of \$33,300.

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 this program through August 31, 2003, FPUC has connected 8 space conditioning projects to its natural gas system.

**EXHIBIT NO. _____
DOCKET NO. 030004-GU
FLORIDA PUBLIC UTILITIES CO.
(RLS-2)
PAGE 17 OF 17**