

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 040004-GU  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of  
ROBERT L. SMITH

On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is 401 S. Dixie Highway,  
3 West Palm Beach, Florida 33401.

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

5 A. I am employed by Florida Public Utilities Company as Director of  
6 Business Development.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery of the  
9 Conservation costs for the period January 1, 2003 through  
10 December 31, 2003 as compared to the amounts previously reported  
11 for that period which were based on four months estimated data.

12 Q. Please state the actual amounts of over/under recovery of  
13 Conservation Program costs for both divisions of Florida Public  
14 Utilities Company for January 1, 2003 through December 31, 2003.

15 A. The Company under-recovered \$11,485 during that period. These  
16 amounts are substantiated on Schedule CT-3, page 2 of 3,  
17 Calculation of True-up and Interest Provision.

DOCUMENT NUMBER-DATE

05099 MAY-3 8

FPSC-COMMISSION CLERK

1 Q. How do these amounts compare with the estimated true-up amounts  
2 which were allowed by the Commission?

3 A. We had estimated that we would over-recover \$140,696 as of  
4 December 31, 2003.

5 Q. Have you prepared any exhibits at this time?

6 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,  
7 CT-5 and CT-6 (Composite Exhibit RLS-2).

8 Q. Does this conclude your testimony?

9 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1  
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CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS      January-03    THROUGH      December-03

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS      January-03      THROUGH      December-03		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(5,055)</u>	
5.	INTEREST	<u>(1,546)</u>	<u>(6,601)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-03      (DATE) HEARINGS		
8.	PRINCIPAL	<u>(154,941)</u>	
9.	INTEREST	<u>(1,757)</u>	<u>(156,698)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>150,097</u>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2  
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

		FOR MONTHS	January-03	THROUGH	December-03	
			<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll		195,622		233,146	(37,524)
2.	Advertisement		708,386		485,316	223,070
3.	Legal					
4.	Outside Services		66,770		89,104	(22,334)
5.	Vehicle		6,274		20,591	(14,317)
6.	Materials & Supplies		57,807		64,364	(6,557)
7.	Travel		9,116		8,302	814
8.	General & Administrative		15,606		11,116	4,490
9.	Incentives		941,349		1,055,646	(114,297)
10.	Other		1,359		22,935	(21,576)
11.	SUB-TOTAL		2,002,289		1,990,520	11,769
12.	PROGRAM REVENUES					
13.	TOTAL PROGRAM COSTS		2,002,289		1,990,520	11,769
14.	LESS: PRIOR PERIOD TRUE-UP		(107,559)		(107,559)	
15.	AMOUNTS INCLUDED IN RATE BASE					
16.	CONSERVATION ADJ REVENUE		2,114,903		2,253,020	(138,117)
17.	ROUNDING ADJUSTMENT					
18.	TRUE-UP BEFORE INTEREST		(5,055)		(154,941)	149,886
19.	ADD INTEREST PROVISION		(1,546)		(1,757)	211
20.	END OF PERIOD TRUE-UP		(6,601)		(156,698)	150,097

() REFLECTS OVERRECOVERY

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SCHEDULE CT-2  
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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-03 THROUGH December-03

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Res New Construction	29,910	80,006		31,534		20,968	5,733	2,232	572,677	470	743,530		743,530
2. Residential Appliance Replacement	10,072	1,930							50,342		62,344		62,344
3. Conservation Education		121,239				5,846					127,085		127,085
4. Space Conditioning	5,154	1,309		24,840		1,139			4,500		36,942		36,942
5. Residential Conservation Service	6,400	50		5,795		5,634					17,879		17,879
6. Residential Appliance Retention	15,524	48,692							313,815		378,031		378,031
10. Commercial Conservation Service	21,176	616		1,340		4,834			15	15	27,996		27,996
12. Commercial Equipment Repair													
13. Residential Service Reactivation		900									900		900
14. Common	107,386	453,644		3,261	6,274	19,386	3,363	13,374		874	607,582		607,582
<b>TOTAL ALL PROGRAMS</b>	<b>195,622</b>	<b>708,386</b>		<b>66,770</b>	<b>6,274</b>	<b>57,807</b>	<b>9,116</b>	<b>15,606</b>	<b>941,349</b>	<b>1,359</b>	<b>2,002,289</b>		<b>2,002,289</b>

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SCHEDULE CT-2  
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CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED  
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-03 THROUGH December-03

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Full House Res New Construction	(10,272)	(14,198)		(3,969)		(2,928)	(398)	24	(62,363)	(2,330)	(96,432)		(96,432)
2 Residential Appliance Replacement	(10,645)	(4,600)		(600)		(2,570)			(4,624)	(1,670)	(24,709)		(24,709)
3 Conservation Education	(3,330)	96,944		(1,470)		(1,144)				(1,670)	89,330		89,330
4 Space Conditioning	(2,089)	(516)		1,260		(801)			(9,500)	(1,000)	(12,646)		(12,646)
5 Residential Conservation Service	217	(3,770)		(320)		3,634			(400)	(1,670)	(2,309)		(2,309)
6 Residential Appliance Retention	(8,407)	37,282		(1,200)		(2,870)			(30,740)	(2,000)	(7,935)		(7,935)
10 Commercial Conservation Service	4,687	(3,500)		(4,830)		2,263				(1,330)	(2,710)		(2,710)
12 Commercial Equipment Repair													
13 Residential Service Reactivation	(3,190)	(2,070)				(870)			(6,670)		(12,800)		(12,800)
14 Common	(4,495)	117,498		(11,205)	(14,317)	(1,273)	1,212	4,466		(9,906)	81,980		81,980
<b>TOTAL ALL PROGRAMS</b>	<b>(37,524)</b>	<b>223,070</b>		<b>(22,334)</b>	<b>(14,317)</b>	<b>(6,557)</b>	<b>814</b>	<b>4,490</b>	<b>(114,297)</b>	<b>(21,576)</b>	<b>11,769</b>		<b>11,769</b>

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS		January-03	THROUGH	December-03										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Full House Res New Construction	73,741	55,051	58,242	110,469	58,576	52,237	48,307	46,246	69,498	44,669	34,182	92,312	743,530
2.	Residential Appliance Replacement	5,529	7,718	5,557	3,831	6,414	7,237	3,270	4,056	3,650	4,069	4,064	6,949	62,344
3	Conservation Education	206	1,106	206	207	9,171	2,319	1,829	7,711	8,431	42,960	693	52,246	127,085
4.	Space Conditioning	1,188	3,428	3,249	4,511	4,559	3,422	3,431	3,461	3,746	7,985	(5,580)	3,542	36,942
5.	Residential Conservation Service	610	1,743	773	571	522	670	396	402	527	7,096	3,973	596	17,879
6	Residential Appliance Retention	37,636	31,177	31,841	26,858	22,617	25,867	19,882	28,629	27,832	40,649	25,190	59,753	378,031
10.	Commercial Conservation Service	2,685	1,439	1,494	1,728	3,439	2,200	1,656	2,389	1,838	1,961	5,156	2,011	27,996
12	Commercial Equipment Repair													
13	Residential Service Reactivation		900											900
14.	Common	52,310	16,928	60,874	50,528	46,799	36,139	31,294	30,571	17,843	21,660	94,800	147,836	607,582
610			238	(215)				1,465	(1,465)	(23)				
21. TOTAL ALL PROGRAMS		173,905	119,728	162,021	198,703	152,097	130,091	111,530	122,000	133,442	171,049	162,478	365,245	2,002,289
22. LESS AMOUNT INCLUDED IN RATE BASE														
23. RECOVERABLE CONSERVATION EXPENSES		173,905	119,728	162,021	198,703	152,097	130,091	111,530	122,000	133,442	171,049	162,478	365,245	2,002,289

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

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FOR MONTHS January-03 THROUGH December-03

B.	CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	RESIDENTIAL CONSERVATION													
2	CONSERVATION ADJ. REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
3	TOTAL REVENUES	297,031	259,207	195,528	180,601	156,286	132,627	123,953	121,127	126,561	127,354	162,136	232,491	2,114,903
4	PRIOR PERIOD TRUE-UP ADJ NOT APPLICABLE TO THIS PERIOD	(8,966)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(8,963)	(107,559)
5	CONSERVATION REVENUE APPLICABLE	288,065	250,244	186,565	171,638	147,323	123,664	114,990	112,164	117,598	118,391	153,173	223,528	2,007,344
6	CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	173,905	119,728	162,021	198,703	152,097	130,091	111,530	122,000	133,442	171,049	162,478	365,245	2,002,289
7	TRUE-UP THIS PERIOD (LINE 5 - 6)	114,160	130,516	24,544	(27,065)	(4,774)	(6,427)	3,460	(9,836)	(15,844)	(52,658)	(9,305)	(141,717)	5,055
8	INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(49)	90	174	177	173	163	157	167	165	142	123	64	1,546
9	TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(107,559)	15,518	155,087	188,768	170,844	175,205	177,905	190,484	189,778	183,063	139,510	139,291	(107,559)
9A.	DEFERRED TRUE-UP BEGINNING OF PERIOD													
10.	PRIOR TRUE-UP COLLECTED (REFUNDED)	8,966	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	107,559
11.	TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	15,518	155,087	188,768	170,844	175,205	177,905	190,484	189,778	183,063	139,510	139,291	6,601	6,601

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 CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 FOR MONTHS January-03 THROUGH December-03

SCHEDULE CT-3  
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C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 BEGINNING TRUE-UP (LINE B-9)	(107,559)	15,518	155,087	188,768	170,844	175,205	177,905	190,484	189,778	183,063	139,510	139,291	(107,559)
2 ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	15,567	154,997	188,594	170,667	175,032	177,742	190,327	189,611	182,898	139,368	139,168	6,537	5,055
3 TOTAL BEG AND ENDING TRUE-UP	(91,992)	170,515	343,681	359,435	345,876	352,947	368,232	380,096	372,676	322,430	278,678	145,828	(102,504)
4 AVERAGE TRUE-UP (LINE C-3 X 50%)	(45,996)	85,258	171,841	179,717	172,938	176,473	184,116	190,048	186,338	161,215	139,339	72,914	(51,252)
5 INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%
6 INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
7 TOTAL (LINE C-5 + C-6)	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	2.12%
8 AVG. INTEREST RATE (C-7 X 50%)	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
9 MONTHLY AVERAGE INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.088%	0.088%	0.088%
10 INTEREST PROVISION (LINE C-4 X C-9)	(49)	90	174	177	173	163	157	167	165	142	123	64	1,546

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-03 THROUGH December-03

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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**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

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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 estimated that 1,100 single- and multi-family homes would be connected to its natural gas system. The company connected 819 homes in 2003.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$743,530.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through December 31, 2003, FPUC has connected 2,981 single- and multi-family homes to its natural gas system with an estimated annual usage of 703,918 therms.

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**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 estimated that 200 natural gas appliances would be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system. The company connected 180 new appliances under this program in 2003.

**PROGRAM EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$62,344.

**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 December 31, 2003, FPUC has connected 565 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system. These appliances have resulted in an estimated cumulative annual usage of 49,757 therms.

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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 estimated that 960 water heaters would be connected to its system. FPUC replaced 903 water heaters with more efficient gas units.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$378,031.

**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 December 31, 2003, FPUC has retained 2,448 natural gas water heaters connected to its distribution 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 2003, FPUC estimated that 36 services would be reactivated with water heaters on its natural gas system. There were no participants in this program during 2003.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$900.

**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 December 31, 2003, FPUC has not reactivated any services with water heaters as a result of this program.

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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 2003, FPUC estimated that 20 residential customers would participate in this program. There were no participants for this program during 2003.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$17,879.

**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 December 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.

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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 estimated that 50 commercial customers would participate in this program. FPUC surveyed 35 commercial customers during 2003.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$27,996.

**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 December 31, 2003, 135 commercial customers have participated.

**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
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 PROJECTONS:**

For the twelve-month period of January to December 2003, FPUC estimated that 25 adult and youth presentations with 750 participants would result from this program. During 2003, there were 12 adult and youth presentations with 350 participants.

**PROGRAM FISCAL EXPENDITURES:**

During this twelve-month period of January to December 2003, FPUC had expenses of \$127,085.

**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 December 31, 2003, FPUC has given 67 adult and youth presentations.

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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 estimated that 5 customer projects would utilize this program. In 2003, this program was utilized by 2 customer projects.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2003, FPUC had expenses of \$36,942.

**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 December 31, 2003, FPUC has connected 10 space conditioning projects to its natural gas system.