

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

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FOR MONTHS January-04 THROUGH December-04

| | | | |
|-----|---|---------------|----------------|
| 1. | ADJUSTED END OF PERIOD TOTAL NET TRUE-UP | | |
| 2. | FOR MONTHS January-04 THROUGH December-04 | | |
| 3. | END OF PERIOD NET TRUE-UP | | |
| 4. | PRINCIPAL | <u>30,334</u> | |
| 5. | INTEREST | <u>179</u> | <u>30,513</u> |
| 6. | LESS PROJECTED TRUE-UP | | |
| 7. | November-04 (DATE) HEARINGS | | |
| 8. | PRINCIPAL | <u>37,084</u> | |
| 9. | INTEREST | <u>227</u> | <u>37,311</u> |
| 10. | ADJUSTED END OF PERIOD TOTAL TRUE-UP | | <u>(6,798)</u> |

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DOCUMENT NUMBER: DATE
04373 MAY-4 08
FPSC-COMMISSION CLERK

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

| | FOR MONTHS | January-04 | THROUGH | December-04 | |
|-----|----------------------------------|---------------|---------|-------------------|-------------------|
| | | <u>ACTUAL</u> | | <u>PROJECTED*</u> | <u>DIFFERENCE</u> |
| 1. | LABOR/PAYROLL | 90,435 | | 90,283 | 152 |
| 2. | ADVERTISING | 80,310 | | 88,111 | (7,801) |
| 3. | LEGAL | 1,576 | | 2,576 | (1,000) |
| 4. | OUTSIDE SERVICES/CONTRACT | 12,127 | | 13,197 | (1,070) |
| 5. | VEHICLE COST | 7,816 | | 8,479 | (663) |
| 6. | MATERIAL & SUPPLIES | 5,411 | | 10,289 | (4,878) |
| 7. | TRAVEL | 2,129 | | 5,182 | (3,053) |
| 8. | GENERAL & ADMIN | 12,216 | | 16,359 | (4,143) |
| 9. | INCENTIVES | 0 | | 0 | 0 |
| 10. | OTHER | 40 | | 0 | 40 |
| 11. | SUB-TOTAL | 212,060 | | 234,476 | (22,416) |
| 12. | PROGRAM REVENUES | | | | |
| 13. | TOTAL PROGRAM COSTS | 212,060 | | 234,476 | (22,416) |
| 14. | LESS: PRIOR PERIOD TRUE-UP | 15,998 | | 15,998 | 0 |
| 15. | AMOUNTS INCLUDED IN RATE BASE | | | | |
| 16. | CONSERVATION ADJ REVENUE | 165,728 | | 181,394 | (15,666) |
| 17. | ROUNDING ADJUSTMENT | | | | |
| 18. | TRUE-UP BEFORE INTEREST | 30,334 | | 37,084 | (6,750) |
| 19. | ADD INTEREST PROVISION | 179 | | 227 | (48) |
| 20. | END OF PERIOD TRUE-UP | 30,513 | | 37,311 | (6,798) |

() REFLECTS OVERRECOVERY
* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-04 THROUGH December-04

| PROGRAM NAME | LABOR & PAYROLL | ADVERTISING | LEGAL | OUTSIDE SERVICES | VEHICLE COST | MATERIALS & SUPPLIES | TRAVEL | GENERAL & ADMIN. | INCENTIVES | OTHER | SUB TOTAL | PROGRAM REVENUES | TOTAL |
|---|-----------------|---------------|--------------|------------------|--------------|----------------------|--------------|------------------|------------|-----------|----------------|------------------|----------------|
| 1. | | | | | | | | | | | | | 0 |
| 2. | | | | | | | | | | | | | 0 |
| 3. | | | | | | | | | | | | | 0 |
| 4. | | | | | | | | | | | | | 0 |
| 5. | | | | | | | | | | | | | 0 |
| 6. | | | | | | | | | | | | | 0 |
| 7. | | | | | | | | | | | | | 0 |
| 8. | | | | | | | | | | | | | 0 |
| 9. | | | | | | | | | | | | | 0 |
| 10. Common | 30,162 | 5,376 | 1,576 | 10,647 | 7,816 | 1,916 | 233 | 11,111 | 0 | 40 | 68,877 | | 68,877 |
| 11. Residential Geothermal Heat Pump | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| 12. GoodCents Home/Energy Star Program | 21,266 | 33,294 | 0 | 585 | 0 | 3,564 | 1,455 | 4,102 | 0 | 0 | 64,266 | | 64,266 |
| 13. GoodCents Energy Survey Program | 23,076 | 36,760 | 0 | 0 | 0 | (211) | 351 | 275 | 0 | 0 | 60,251 | | 60,251 |
| 14. GoodCents Loan Program | 7 | 0 | 0 | 0 | 0 | 0 | 0 | (3,526) | 0 | 0 | (3,519) | | (3,519) |
| 15. GoodCents Commercial Building Program | 7,045 | 334 | 0 | 0 | 0 | 176 | 45 | 0 | 0 | 0 | 7,600 | | 7,600 |
| 16. GoodCents Commercial Tech. Assist. Program | 8,879 | 4,546 | 0 | 895 | 0 | (34) | 45 | 254 | 0 | 0 | 14,585 | | 14,585 |
| 17. Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| 18. Affordable Housing Builders & Providers Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| TOTAL ALL PROGRAMS | 90,435 | 80,310 | 1,576 | 12,127 | 7,816 | 5,411 | 2,129 | 12,216 | 0 | 40 | 212,060 | 0 | 212,060 |

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CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-04 THROUGH December-04

| PROGRAM NAME | LABOR & PAYROLL | ADVERTISING | LEGAL | OUTSIDE SERVICES | VEHICLE COST | MATERIALS & SUPPLIES | TRAVEL | GENERAL & ADMIN. | INCENTIVES | OTHER | SUB TOTAL | PROGRAM REVENUES | TOTAL |
|---|-----------------|----------------|----------------|------------------|--------------|----------------------|----------------|------------------|------------|-----------|-----------------|------------------|-----------------|
| 1. | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | |
| 6. | | | | | | | | | | | | | |
| 7. | | | | | | | | | | | | | |
| 8. | | | | | | | | | | | | | |
| 9. | | | | | | | | | | | | | |
| 10. Common | (899) | 3,832 | (1,000) | 0 | (663) | (608) | (1,658) | (228) | 0 | 40 | (1,184) | 0 | (1,184) |
| 11. Residential Geothermal Heat Pump | (330) | 0 | 0 | (170) | 0 | (100) | 0 | 0 | 0 | 0 | (600) | 0 | (600) |
| 12. GoodCents Home/Energy Star Program | 748 | (2,311) | 0 | (170) | 0 | (329) | (370) | 445 | 0 | 0 | (1,987) | 0 | (1,987) |
| 13. GoodCents Energy Survey Program | 1,088 | 2,802 | 0 | (330) | 0 | (1,913) | (285) | (670) | 0 | 0 | 692 | 0 | 692 |
| 14. GoodCents Loan Program | 7 | 0 | 0 | 0 | 0 | 0 | 0 | (2,300) | 0 | 0 | (2,293) | 0 | (2,293) |
| 15. GoodCents Commercial Building Program | (36) | (5,230) | 0 | (200) | 0 | (824) | (385) | (660) | 0 | 0 | (7,335) | 0 | (7,335) |
| 16. GoodCents Commercial Tech. Assist. Program | (86) | (6,894) | 0 | (200) | 0 | (1,034) | (355) | (660) | 0 | 0 | (9,229) | 0 | (9,229) |
| 17. Low Income | (170) | 0 | 0 | 0 | 0 | (40) | 0 | (30) | 0 | 0 | (240) | 0 | (240) |
| 18. Affordable Housing Builders & Providers Program | (170) | 0 | 0 | 0 | 0 | (30) | 0 | (40) | 0 | 0 | (240) | 0 | (240) |
| TOTAL ALL PROGRAMS | 152 | (7,801) | (1,000) | (1,070) | (663) | (4,878) | (3,053) | (4,143) | 0 | 40 | (22,416) | 0 | (22,416) |

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

FOR MONTHS January-04 THROUGH December-04

| A. CONSERVATION EXPENSE BY PROGRAM | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|--|---------|----------|--------|--------|---------|--------|--------|--------|-----------|---------|----------|----------|---------|
| 1. | | | | | | | | | | | | | 0 |
| 2. | | | | | | | | | | | | | 0 |
| 3. | | | | | | | | | | | | | 0 |
| 4. | | | | | | | | | | | | | 0 |
| 5. | | | | | | | | | | | | | 0 |
| 6. | | | | | | | | | | | | | 0 |
| 7. | | | | | | | | | | | | | 0 |
| 8. | | | | | | | | | | | | | 0 |
| 9. | | | | | | | | | | | | | 0 |
| 10. Common | 6,938 | 3,885 | 3,882 | 2,907 | 13,974 | 3,925 | 7,750 | 5,001 | (5,494) | 9,296 | 8,979 | 7,834 | 68,877 |
| 11. Residential Geothermal Heat Pump | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. GoodCents Home/Energy Star Program | 5,998 | 5,155 | 6,178 | 8,023 | 4,010 | 8,701 | 4,598 | 7,270 | 2,567 | 2,156 | 2,669 | 6,941 | 64,266 |
| 13. GoodCents Energy Survey Program | 6,279 | 4,542 | 7,314 | 3,930 | 2,847 | 6,206 | 4,757 | 7,364 | 3,060 | 5,280 | 2,330 | 6,342 | 60,251 |
| 14. GoodCents Loan Program | (60) | (55) | (60) | 0 | (2,871) | (60) | (60) | (60) | (60) | (102) | (71) | (60) | (3,519) |
| 15. GoodCents Commercial Building Program | (110) | 213 | 1,303 | 410 | 965 | 491 | 438 | 705 | 792 | 159 | 910 | 1,324 | 7,600 |
| 16. GoodCents Commercial Tech. Assist. Program | 370 | 1,638 | 1,512 | 790 | 1,234 | 2,991 | 1,992 | 1,368 | 1,081 | 37 | 459 | 1,113 | 14,585 |
| 18. Affordable Housing/Builders Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Prior Year Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. TOTAL ALL PROGRAMS | 19,415 | 15,378 | 20,129 | 16,060 | 20,159 | 22,254 | 19,475 | 21,648 | 1,946 | 16,826 | 15,276 | 23,494 | 212,060 |
| 22. LESS AMOUNT INCLUDED IN RATE BASE | | | | | | | | | | | | | |
| 23. RECOVERABLE CONSERVATION EXPENSES | 19,415 | 15,378 | 20,129 | 16,060 | 20,159 | 22,254 | 19,475 | 21,648 | 1,946 | 16,826 | 15,276 | 23,494 | 212,060 |

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-04 THROUGH December-04

| B. | CONSERVATION REVENUES | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----|---|---------|----------|---------|---------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| 1. | RESIDENTIAL CONSERVATION | | | | | | | | | | | | | 0 |
| 2. | CONSERVATION ADJ. REVENUES | 15,473 | 13,651 | 12,295 | 11,338 | 11,593 | 14,828 | 16,364 | 16,096 | 15,347 | 13,578 | 12,096 | 13,069 | 165,728 |
| 3. | TOTAL REVENUES | 15,473 | 13,651 | 12,295 | 11,338 | 11,593 | 14,828 | 16,364 | 16,096 | 15,347 | 13,578 | 12,096 | 13,069 | 165,728 |
| 4. | PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 | 1,335 | 15,998 |
| 5. | CONSERVATION REVENUE APPLICABLE | 16,806 | 14,984 | 13,628 | 12,671 | 12,926 | 16,161 | 17,697 | 17,429 | 16,680 | 14,911 | 13,429 | 14,404 | 181,726 |
| 6. | CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23) | 19,415 | 15,378 | 20,129 | 16,060 | 20,159 | 22,254 | 19,475 | 21,648 | 1,946 | 16,826 | 15,276 | 23,494 | 212,060 |
| 7. | TRUE-UP THIS PERIOD (LINE 5 - 6) | (2,609) | (394) | (6,501) | (3,389) | (7,233) | (6,093) | (1,778) | (4,219) | 14,734 | (1,915) | (1,847) | (9,090) | (30,334) |
| 8. | INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10) | 12 | 9 | 5 | 0 | (6) | (14) | (23) | (31) | (28) | (23) | (32) | (48) | (179) |
| 9. | TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH | 15,998 | 12,068 | 10,350 | 2,521 | (2,201) | (10,773) | (18,213) | (21,347) | (26,930) | (13,557) | (16,828) | (20,040) | 15,998 |
| 9A. | DEFERRED TRUE-UP BEGINNING OF PERIOD | | | | | | | | | | | | | |
| 10. | PRIOR TRUE-UP COLLECTED (REFUNDED) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,333) | (1,335) | (15,998) |
| 11. | TOTAL NET TRUE-UP (LINES 7+8+9+9A+10) | 12,068 | 10,350 | 2,521 | (2,201) | (10,773) | (18,213) | (21,347) | (26,930) | (13,557) | (16,828) | (20,040) | (30,513) | (30,513) |

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-04 THROUGH December-04

| C. | INTEREST PROVISION | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----|---|---------|----------|--------|---------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| 1. | BEGINNING TRUE-UP (LINE B-9) | 15,998 | 12,068 | 10,350 | 2,521 | (2,201) | (10,773) | (18,213) | (21,347) | (26,930) | (13,557) | (16,828) | (20,040) | 15,998 |
| 2. | ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10) | 12,056 | 10,341 | 2,516 | (2,201) | (10,767) | (18,199) | (21,324) | (26,899) | (13,529) | (16,805) | (20,008) | (30,465) | (30,334) |
| 3. | TOTAL BEG. AND ENDING TRUE-UP | 28,054 | 22,409 | 12,866 | 320 | (12,968) | (28,972) | (39,537) | (48,246) | (40,459) | (30,362) | (36,836) | (50,505) | (14,336) |
| 4. | AVERAGE TRUE-UP (LINE C-3 X 50%) | 14,027 | 11,205 | 6,433 | 160 | (6,484) | (14,486) | (19,769) | (24,123) | (20,230) | (15,181) | (18,418) | (25,253) | (7,168) |
| 5. | INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH | 1.06% | 1.03% | 0.98% | 0.98% | 1.03% | 1.04% | 1.33% | 1.47% | 1.60% | 1.77% | 1.94% | 2.22% | |
| 6. | INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH | 1.03% | 0.98% | 0.98% | 1.03% | 1.04% | 1.33% | 1.47% | 1.60% | 1.77% | 1.94% | 2.22% | 2.34% | |
| 7. | TOTAL (LINE C-5 + C-6) | 2.09% | 2.01% | 1.96% | 2.01% | 2.07% | 2.37% | 2.80% | 3.07% | 3.37% | 3.71% | 4.16% | 4.56% | |
| 8. | AVG. INTEREST RATE (C-7 X 50%) | 1.05% | 1.01% | 0.98% | 1.01% | 1.04% | 1.19% | 1.40% | 1.54% | 1.69% | 1.86% | 2.08% | 2.28% | |
| 9. | MONTHLY AVERAGE INTEREST RATE | 0.087% | 0.084% | 0.082% | 0.084% | 0.086% | 0.099% | 0.117% | 0.128% | 0.140% | 0.155% | 0.173% | 0.190% | |
| 10. | INTEREST PROVISION (LINE C-4 X C-9) | 12 | 9 | 5 | 0 | (6) | (14) | (23) | (31) | (28) | (23) | (32) | (48) | (179) |

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR MONTHS January-04 THROUGH December-04

SCHEDULE CT-4
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| PROGRAM NAME: | BEGINNING OF PERIOD | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----------------------------------|------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| 1. INVESTMENT | | | | | | | | | | | | | | |
| 2. DEPRECIATION BASE | | | | | | | | | | | | | | |
| 3. DEPRECIATION EXPENSE | | | | | | | | | | | | | | |
| 4. CUMULATIVE INVESTMENT | | | | | | | | | | | | | | |
| 5. LESS: ACCUMULATED DEPRECIATION | | | | | | | | | | | | | | |
| 6. NET INVESTMENT | | | | | | | | | | | | | | |
| 7. AVERAGE INVESTMENT | | | | | | | | | | | | | | |
| 8. RETURN ON AVERAGE INVESTMENT | | | | | | | | | | | | | | |
| 9. RETURN REQUIREMENTS | | | | | | | | | | | | | | |
| 10. TOTAL DEPRECIATION AND RETURN | | | | | | | | | | | | | | NONE |

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RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-04 THROUGH December-04

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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1. Residential Geothermal Heat Pump
2. GoodCents Home/Energy Star Program
3. GoodCents Energy Survey Program
4. GoodCents Commercial Building Program
5. GoodCents Commercial technical Assistance Program
6. Educational/Low Income
7. Educational/Affordable Housing Builders and Providers Program

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PROGRAM TITLE: Residential Geothermal Heat Pump

PROGRAM DESCRIPTION: The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM ACCOMPLISHMENTS: Even though there are no goals set for this program we continue to promote this technology to our customers and HVAC contractors. We continue to see an increase in interest as our customers learn more about this technology.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2004 through December 31, 2004 were \$0.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to promote this energy efficient technology. We will educate contractors by offering Geothermal Certification classes and develop a network of installers in order to better promote this highly efficient heating and cooling source.

PROGRAM TITLE: GoodCents Home/Energy Star Program

PROGRAM DESCRIPTION: The GoodCents Home Program has long been the standard for energy efficient construction in Northwest Florida and throughout other parts of the country where the GoodCents Program has been utilized by as many as 270 different utilities. For FPUC and our customers, GoodCents homes provides guidance concerning energy efficiency in new construction by promoting energy efficient home construction techniques by evaluating components in the categories of design and construction practices.

In an effort to further enhance the GoodCents Home Program and market it more efficiently and effectively, GoodCents signed a Memorandum of Understanding with the Department of Energy (DOE) and the Environmental Protection Agency (EPA). Since FPUC is a member of GoodCents this agreement provides the opportunity to offer the Energy Star Home Program to builders and customers and correlates the performance of GoodCents homes to the nationally recognized Energy Star efficiency label. In many cases, a standard GoodCents home will also qualify as an Energy Star Home. The GoodCents Home standards continue to exceed the minimum efficiency standards for new construction as set forth by the Florida Model Energy Code.

PROGRAM ACCOMPLISHMENTS: The year's goal was 29. A total of 40 GoodCents Homes have been built during this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$64,266.

PROGRAM PROGRESS SUMMARY: We will continue to enhance our efforts in promoting contractor participation and customer benefits. We have conducted open house days to provide information to prospective home builders and information presentations have been made to educate area builders, realtors and suppliers. Though this year was better in residential development compared to last year, we predict residential developments will continue to grow in the upcoming years. With our continued efforts in promoting this program we see our participation numbers rise over the next years and we will continue to build on our success with even greater creative marketing efforts in order to reach our goal.

PROGRAM TITLE: GoodCents Energy Survey Program

PROGRAM DESCRIPTION: The objective of the GoodCents Energy Survey Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Also during the survey process duct leakage will be addressed. If a problem is identified recommendations will be made for further analysis and repairs.

The conservation measures, once implemented, also lower FPUC's energy requirements, as well as improve operating efficiencies. As a result, the increase in operating efficiencies provides for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM ACCOMPLISHMENTS: The goal for this program is 150 participants. This has been a very successful program to date. Audits have been conducted for 190 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$60,251.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through newspaper, radio and cable TV that we will continue to exceed our participant goals in this program in the future.

PROGRAM TITLE: GoodCents Loan Program

PROGRAM DESCRIPTION: The objective of the GoodCents Loan Program was to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. The program was designed to work in conjunction with FPUC's approved GoodCents Energy Survey Program. During the survey process, the customer was provided with specific whole-house recommendations. An FPUC representative submitted a completed loan application once the customer decides to install the conservation features. After the application has been approved, the customer contacted a contractor to install the recommended conservation features. After the work was completed, an inspection was performed by FPUC to ensure all energy conservation features covered by the loan are installed. Confirmation of the installed features was provided to the participating bank. The increased operating efficiencies of the installed features provided a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM ACCOMPLISHMENTS: This year's goal is 15 program participants. During this reporting period we have completed 0 loans.

PROGRAM FISCAL EXPENDITURES: There no expenditures for the reporting period January 1, 2004 through December 31, 2004. We had a credit of \$3,519 from payments from previous defaulted loans.

PROGRAM PROGRESS SUMMARY: In 2002 this program was approved by the PSC for discontinuation due to the lack of participations and the cost of implementing the program. We may continue to incur expenses due to past unsecured defaulted loans. We have also made payment arrangements with several past program participants that had defaulted loans, which will show as credits.

PROGRAM TITLE: GoodCents Commercial Building Program

PROGRAM DESCRIPTION: The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these area that, if adhered to, will help reduce peak demand and energy consumption.

The promotion of the GoodCents Building Program through the years has featured a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design continues to be sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the kW and kWh savings due to the GoodCents Building Program, the GoodCents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the kW and kWh differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating kW and kWh difference.

PROGRAM ACCOMPLISHMENTS: This year's goal is 6 and for this reporting period we have had 7 GoodCents Building qualifications in the Marianna service territory.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$7,600.

PROGRAM PROGRESS SUMMARY: Commercial development in the Marianna service territory is slow, but we hope in the future our area will start growing and we will see more commercial customers building in our area. We will continue to promote this program and continue to develop relations with architects and contractors to gain knowledge of possible projects. We have laid the foundation of customer trust in this area through our GoodCents Commercial Technical Assistance Program and with this relationship we feel we will continue to be successful.

PROGRAM TITLE: GoodCents Commercial Technical Audit Assistance Program

PROGRAM DESCRIPTION: The GoodCents Commercial Technical Assistance Audit Program is an interactive program that provides commercial customers assistance in identifying advanced energy conservation opportunities. It is customized to meet the individual needs of large customers as required; therefore, it is an evolving program.

The Technical Assistance Audit process consists of an on-site review by FPUC Conservation Consultant of the customer's facility operation, equipment and energy usage pattern. The consultant identifies areas of potential reduction in kW and kWh consumption as well as identifying end-use technology opportunities. A technical evaluation is then performed which often includes performing an AXCESS simulation in order to ascertain an economy payback or life cycle cost analysis for various improvements to the facility. When necessary FPUC will subcontract the evaluation process to an independent engineering firm and/or contracting consultant.

PROGRAM PROJECTION: This year's goal is 18 and a total of 33 GoodCents Commercial Technical Audits were completed during this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$14,585.

PROGRAM PROGRESS SUMMARY: This program has been very successful and we are optimistic that our commercial/Industrial customers will continue to involve us to a greater extent in future projects based upon the relationship of trust and knowledge.

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PROGRAM TITLE: Low Income Program

PROGRAM DESCRIPTION: FPUC presently has energy education programs that identify low cost and or no cost conservation measures. In order to better assist low-income customers in managing their energy purchases, the presentation and format of these energy education programs are tailored to the audience. These programs provide basic energy education, as well as inform the customers of other specific services, such as free energy survey, that FPUC currently offers.

PROGRAM ACCOMPLISHMENTS: For January 2004-- through December 2004: There are no goals set for this program.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$0.

PROGRAM PROGRESS SUMMARY: Even though this year there were no special events or presentations directly related to Low Income customers we will continue to promote the opportunity to educate low-income customers on the benefits of an energy efficient home and use.

PROGRAM TITLE: Affordable Housing Builders and Providers Program

PROGRAM DESCRIPTION: FPUC will identify the affordable housing builders within the service area and will encourage them to attend education seminars and workshops related to energy efficient construction, retrofit programs, financing programs, etc., and to participate in the GoodCents Home Program. FPUC will work with the Florida Energy Extension Service and other seminar sponsors to offer seminars and/or workshops. FPUC will work with all sponsors to reduce or eliminate attendances fees for affordable housing providers.

PROGRAM PROJECTION: For January 2004 through December 2004: There is no goal for this program.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$0.

PROGRAM PROGRESS SUMMARY: Even though there were no presentations or programs presented that were directly related to the Affordable Housing industry we will continue promoting this opportunity to local housing authorities. Also, this program will continue to provide FPUC the opportunity to educate affordable housing contractors on the benefits of building a home to GoodCents standards as well as introduce new and innovative energy efficient building technology.

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA SCHEDULE CT-1
PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-04 THROUGH December-04

| | | | |
|-----|---|------------------|------------------|
| 1. | ADJUSTED END OF PERIOD TOTAL NET TRUE-UP | | |
| 2. | FOR MONTHS January-04 THROUGH December-04 | | |
| 3. | END OF PERIOD NET TRUE-UP | | |
| 4. | PRINCIPAL | <u>(160,523)</u> | |
| 5. | INTEREST | <u>(1,822)</u> | <u>(162,345)</u> |
| 6. | LESS PROJECTED TRUE-UP | | |
| 7. | November-04 (DATE) HEARINGS | | |
| 8. | PRINCIPAL | <u>(100,101)</u> | |
| 9. | INTEREST | <u>(1,410)</u> | <u>(101,511)</u> |
| 10. | ADJUSTED END OF PERIOD TOTAL TRUE-UP | | <u>(60,834)</u> |

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DOCKET NO. 050002-EG
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

| | FOR MONTHS | January-04 | THROUGH | December-04 | |
|-----|----------------------------------|---------------|---------|-------------------|-------------------|
| | | <u>ACTUAL</u> | | <u>PROJECTED*</u> | <u>DIFFERENCE</u> |
| 1. | LABOR/PAYROLL | 64,972 | | 78,104 | (13,132) |
| 2. | ADVERTISING | 55,011 | | 68,085 | (13,074) |
| 3. | LEGAL | 1,576 | | 2,576 | (1,000) |
| 4. | OUTSIDE SERVICES/CONTRACT | 16,496 | | 19,005 | (2,509) |
| 5. | VEHICLE COST | 7,803 | | 9,486 | (1,683) |
| 6. | MATERIAL & SUPPLIES | 4,579 | | 11,361 | (6,782) |
| 7. | TRAVEL | 3,199 | | 5,677 | (2,478) |
| 8. | GENERAL & ADMIN | 15,877 | | 23,147 | (7,270) |
| 9. | INCENTIVES | 47 | | 47 | 0 |
| 10. | OTHER | 884 | | 459 | 425 |
| 11. | SUB-TOTAL | 170,444 | | 217,947 | (47,503) |
| 12. | PROGRAM REVENUES | | | | |
| 13. | TOTAL PROGRAM COSTS | 170,444 | | 217,947 | (47,503) |
| 14. | LESS: PRIOR PERIOD TRUE-UP | 90,539 | | 90,539 | 0 |
| 15. | AMOUNTS INCLUDED IN RATE BASE | | | | |
| 16. | CONSERVATION ADJ REVENUE | 240,428 | | 227,509 | 12,919 |
| 17. | ROUNDING ADJUSTMENT | | | | |
| 18. | TRUE-UP BEFORE INTEREST | (160,523) | | (100,101) | (60,422) |
| 19. | ADD INTEREST PROVISION | (1,822) | | (1,410) | (412) |
| 20. | END OF PERIOD TRUE-UP | (162,345) | | (101,511) | (60,834) |

() REFLECTS OVERRECOVERY
* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR MONTHS January-04 THROUGH December-04

SCHEDULE CT-2
 PAGE 2 OF 3

| PROGRAM NAME | LABOR & PAYROLL | | ADVERTISING | LEGAL | OUTSIDE SERVICES | VEHICLE COST | MATERIALS & SUPPLIES | | TRAVEL | GENERAL & ADMIN. | | INCENTIVES | OTHER | SUB TOTAL | PROGRAM REVENUES | TOTAL |
|--|-----------------|---|-------------|-------|------------------|--------------|----------------------|-------|--------|------------------|---|------------|-------|-----------|------------------|---------|
| | | | | | | | | | | | | | | | | |
| 1. Common | 20,231 | 0 | 1,516 | 1,776 | 10,647 | 7,787 | 2,686 | 286 | 11,663 | 0 | 0 | 0 | 0 | 57,276 | 0 | 57,276 |
| 11. Residential Geothermal Heat Pump | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. GoodCentis Home/Energy Star | 11,286 | 0 | 10,378 | 0 | 523 | 16 | 2,337 | 1,421 | 3,685 | 47 | 0 | 0 | 0 | 29,693 | 0 | 29,693 |
| 13. GoodCentis Energy Survey Program | 11,182 | 0 | 39,982 | 0 | 0 | 0 | (444) | 1,492 | 275 | 0 | 0 | 0 | 0 | 52,487 | 0 | 52,487 |
| 14. GoodCentis Loan Program | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 7 |
| 15. GoodCentis Commercial Building | 11,133 | 0 | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,174 | 0 | 11,174 |
| 16. GoodCentis Commercial Tech. Assistance | 11,133 | 0 | 3,094 | 0 | 5,326 | 0 | 0 | 0 | 254 | 0 | 0 | 0 | 0 | 19,807 | 0 | 19,807 |
| 17. Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Affordable Housing/Builders Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 64,972 | 0 | 55,011 | 1,576 | 16,496 | 7,803 | 4,579 | 3,199 | 15,877 | 47 | 0 | 0 | 884 | 170,444 | 0 | 170,444 |

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

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

FOR MONTHS January-04 THROUGH December-04

| PROGRAM NAME | LABOR & PAYROLL | ADVERTISING | LEGAL | OUTSIDE SERVICES | VEHICLE COST | MATERIALS & SUPPLIES | TRAVEL | GENERAL & ADMIN. | INCENTIVES | OTHER | SUB TOTAL | PROGRAM REVENUES | TOTAL |
|---|-----------------|-------------|---------|------------------|--------------|----------------------|---------|------------------|------------|-------|-----------|------------------|----------|
| 1. | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | |
| 6. | | | | | | | | | | | | | |
| 7. | | | | | | | | | | | | | |
| 8. | | | | | | | | | | | | | |
| 9. | | | | | | | | | | | | | |
| 10. Common | (4,360) | 270 | (1,000) | 0 | (1,682) | (1,056) | (1,931) | (1,756) | 0 | 425 | (11,090) | 0 | (11,090) |
| 11. Residential Geothermal Heat Pump | (670) | 0 | 0 | (160) | 0 | (170) | 0 | 0 | 0 | 0 | (1,000) | 0 | (1,000) |
| 12. GoodCents Home/Energy Star | (2,588) | (11,200) | 0 | (170) | (1) | (1,312) | (499) | 106 | 0 | 0 | (15,664) | 0 | (15,664) |
| 13. GoodCents Energy Survey Program | (2,588) | 8,616 | 0 | (430) | 0 | (2,144) | 782 | (1,000) | 0 | 0 | 3,236 | 0 | 3,236 |
| 14. GoodCents Loan Program | 7 | 0 | 0 | 0 | 0 | 0 | 0 | (2,320) | 0 | 0 | (2,313) | 0 | (2,313) |
| 15. GoodCents Commercial Building | (1,296) | (4,239) | 0 | (880) | 0 | (1,000) | (430) | (1,000) | 0 | 0 | (8,845) | 0 | (8,845) |
| 16. GoodCents Commercial Tech. Assistance | (1,287) | (6,521) | 0 | (869) | 0 | (1,050) | (400) | (1,000) | 0 | 0 | (11,127) | 0 | (11,127) |
| 17. Low Income | (180) | 0 | 0 | 0 | 0 | (30) | 0 | (150) | 0 | 0 | (360) | 0 | (360) |
| 18. Affordable Housing/Builders Program | (170) | 0 | 0 | 0 | 0 | (20) | 0 | (150) | 0 | 0 | (340) | 0 | (340) |
| 19. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. | | | | | | | | | | | | | |
| TOTAL ALL PROGRAMS | (13,132) | (13,074) | (1,000) | (2,509) | (1,683) | (6,782) | (2,478) | (7,270) | 0 | 425 | (47,503) | 0 | (47,503) |

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

FOR MONTHS January-04 THROUGH December-04

| A. CONSERVATION EXPENSE BY PROGRAM | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|---|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|---------|
| 1. | | | | | | | | | | | | | 0 |
| 2. | | | | | | | | | | | | | 0 |
| 3. | | | | | | | | | | | | | 0 |
| 4. | | | | | | | | | | | | | 0 |
| 5. | | | | | | | | | | | | | 0 |
| 6. | | | | | | | | | | | | | 0 |
| 7. | | | | | | | | | | | | | 0 |
| 8. | | | | | | | | | | | | | 0 |
| 9. | | | | | | | | | | | | | 0 |
| 10. Common | 6,384 | 6,873 | 3,329 | 2,332 | 12,322 | 2,974 | 6,928 | 4,624 | (6,454) | 5,900 | 7,546 | 4,518 | 57,276 |
| 11. Residential Geothermal Heat Pump | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. GoodCents Home/Energy Star | 6,821 | 1,899 | 1,688 | 3,723 | 2,302 | 4,009 | 3,397 | 3,799 | 2,533 | (2,092) | (2,009) | 3,623 | 29,693 |
| 13. GoodCents Energy Survey Program | 591 | 2,283 | 4,370 | 5,956 | 2,348 | 6,694 | 4,699 | 4,509 | 5,816 | 2,511 | 1,800 | 10,910 | 52,487 |
| 14. GoodCents Loan Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 | (11) | 0 | 7 |
| 15. GoodCents Commercial Building | 0 | 931 | 1,043 | 1,037 | 954 | 978 | 1,134 | 1,022 | 1,254 | 853 | 850 | 1,118 | 11,174 |
| 16. GoodCents Commercial Tech. Assistance | 104 | 6,257 | 1,192 | 1,284 | 1,557 | 3,381 | 1,248 | 1,271 | 1,232 | 63 | 1,100 | 1,118 | 19,807 |
| 17. Low Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Affordable Housing/Builders Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Prior Year Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. | | | | | | | | | | | | | |
| 21. TOTAL ALL PROGRAMS | 13,900 | 18,243 | 11,622 | 14,332 | 19,483 | 18,036 | 17,406 | 15,225 | 4,381 | 7,253 | 9,276 | 21,287 | 170,444 |
| 22. LESS AMOUNT INCLUDED IN RATE BASE | | | | | | | | | | | | | |
| 23. RECOVERABLE CONSERVATION EXPENSES | 13,900 | 18,243 | 11,622 | 14,332 | 19,483 | 18,036 | 17,406 | 15,225 | 4,381 | 7,253 | 9,276 | 21,287 | 170,444 |

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 2 OF 3

FOR MONTHS January-04 THROUGH December-04

| B. CONSERVATION REVENUES | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|--|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|----------|
| 1. RESIDENTIAL CONSERVATION | | | | | | | | | | | | | 0 |
| 2. CONSERVATION ADJ. REVENUES | 19,423 | 18,730 | 19,542 | 16,822 | 16,750 | 22,872 | 23,538 | 23,040 | 21,492 | 22,842 | 18,555 | 16,822 | 240,428 |
| 3. TOTAL REVENUES | 19,423 | 18,730 | 19,542 | 16,822 | 16,750 | 22,872 | 23,538 | 23,040 | 21,492 | 22,842 | 18,555 | 16,822 | 240,428 |
| 4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,545 | 7,544 | 90,539 |
| 5. CONSERVATION REVENUE APPLICABLE | 26,968 | 26,275 | 27,087 | 24,367 | 24,295 | 30,417 | 31,083 | 30,585 | 29,037 | 30,387 | 26,100 | 24,366 | 330,967 |
| 6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23) | 13,900 | 18,243 | 11,622 | 14,332 | 19,483 | 18,036 | 17,406 | 15,225 | 4,381 | 7,253 | 9,276 | 21,287 | 170,444 |
| 7. TRUE-UP THIS PERIOD (LINE 5 - 6) | 13,068 | 8,032 | 15,465 | 10,035 | 4,812 | 12,381 | 13,677 | 15,360 | 24,656 | 23,134 | 16,824 | 3,079 | 160,523 |
| 8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10) | 81 | 81 | 82 | 89 | 91 | 106 | 131 | 153 | 186 | 230 | 280 | 312 | 1,822 |
| 9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH | 90,539 | 96,143 | 96,711 | 104,713 | 107,292 | 104,650 | 109,592 | 115,855 | 123,823 | 141,120 | 156,939 | 166,498 | 90,539 |
| 9A. DEFERRED TRUE-UP BEGINNING OF PERIOD | | | | | | | | | | | | | |
| 10. PRIOR TRUE-UP COLLECTED (REFUNDED) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,545) | (7,544) | (90,539) |
| 11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10) | 96,143 | 96,711 | 104,713 | 107,292 | 104,650 | 109,592 | 115,855 | 123,823 | 141,120 | 156,939 | 166,498 | 162,345 | 162,345 |

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-04 THROUGH December-04

| C. | INTEREST PROVISION | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----|---|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|---------|
| 1. | BEGINNING TRUE-UP (LINE B-9) | 90,539 | 96,143 | 96,711 | 104,713 | 107,292 | 104,650 | 109,592 | 115,855 | 123,823 | 141,120 | 156,939 | 166,498 | 90,539 |
| 2. | ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10) | 96,062 | 96,630 | 104,631 | 107,203 | 104,559 | 109,486 | 115,724 | 123,670 | 140,934 | 156,709 | 166,218 | 162,033 | 160,523 |
| 3. | TOTAL BEG. AND ENDING TRUE-UP | 186,601 | 192,773 | 201,342 | 211,916 | 211,851 | 214,136 | 225,316 | 239,525 | 264,757 | 297,829 | 323,157 | 328,531 | 251,062 |
| 4. | AVERAGE TRUE-UP (LINE C-3 X 50%) | 93,301 | 96,387 | 100,671 | 105,958 | 105,926 | 107,068 | 112,658 | 119,763 | 132,379 | 148,915 | 161,579 | 164,266 | 125,531 |
| 5. | INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH | 1.06% | 1.03% | 0.98% | 0.98% | 1.03% | 1.04% | 1.33% | 1.47% | 1.60% | 1.77% | 1.94% | 2.22% | |
| 6. | INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH | 1.03% | 0.98% | 0.98% | 1.03% | 1.04% | 1.33% | 1.47% | 1.60% | 1.77% | 1.94% | 2.22% | 2.34% | |
| 7. | TOTAL (LINE C-5 + C-6) | 2.09% | 2.01% | 1.96% | 2.01% | 2.07% | 2.37% | 2.80% | 3.07% | 3.37% | 3.71% | 4.16% | 4.56% | |
| 8. | AVG. INTEREST RATE (C-7 X 50%) | 1.05% | 1.01% | 0.98% | 1.01% | 1.04% | 1.19% | 1.40% | 1.54% | 1.69% | 1.86% | 2.08% | 2.28% | |
| 9. | MONTHLY AVERAGE INTEREST RATE | 0.087% | 0.084% | 0.082% | 0.084% | 0.086% | 0.099% | 0.117% | 0.128% | 0.140% | 0.155% | 0.173% | 0.190% | |
| 10. | INTEREST PROVISION (LINE C-4 X C-9) | 81 | 81 | 82 | 89 | 91 | 106 | 131 | 153 | 186 | 230 | 280 | 312 | 1,822 |

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-4

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

PAGE 1 OF 1

FOR MONTHS January-04 THROUGH December-04

| PROGRAM NAME: | BEGINNING OF PERIOD | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----------------------------------|------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| 1. INVESTMENT | | | | | | | | | | | | | | |
| 2. DEPRECIATION BASE | | | | | | | | | | | | | | |
| 3. DEPRECIATION EXPENSE | | | | | | | | | | | | | | |
| 4. CUMULATIVE INVESTMENT | | | | | | | | | | | | | | |
| 5. LESS ACCUMULATED DEPRECIATION | | | | | | | | | | | | | | |
| 6. NET INVESTMENT | | | | | | | | | | | | | | |
| 7. AVERAGE INVESTMENT | | | | | | | | | | | | | | |
| 8. RETURN ON AVERAGE INVESTMENT | | | | | | | | | | | | | | |
| 9. RETURN REQUIREMENTS | | | | | | | | | | | | | | |
| 10. TOTAL DEPRECIATION AND RETURN | | | | | | | | | | | | | | NONE |

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DOCKET NO. 050002-EG
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE CT-5
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-04 THROUGH December-04

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 050002-EG
FLORIDA PUBLIC UTILITIES COMPANY
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1. Residential Geothermal Heat Pump
2. GoodCents Home/Energy Star Program
3. GoodCents Energy Survey Program
4. GoodCents Commercial Building Program
5. GoodCents Commercial technical Assistance Program
6. Educational/Low Income
7. Educational/Affordable Housing Builders and Providers Program

EXHIBIT NO. _____

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PROGRAM TITLE: Residential Geothermal Heat Pump

PROGRAM DESCRIPTION: The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM ACCOMPLISHMENTS: Even though there are no goals set for this program we continue to promote this technology to our customers and HVAC contractors. Because of this continued effort to promote this energy efficient technology we have had 1 participant this year.

PROGRAM FISCAL EXPENDITURES: There were no expenditures for the reporting period of January 1, 2004 through December 31, 2004.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will continue our efforts to promote this energy efficient technology. We will strive to educate contractors by offering Geothermal Certification classes and develop a network of installers in order to better promote this highly efficient heating and cooling source.

PROGRAM TITLE: GoodCents Home/Energy Star Program

PROGRAM DESCRIPTION: The GoodCents Home Program has long been the standard for energy efficient construction in Northwest Florida and throughout other parts of the country where the GoodCents Program has been utilized by as many as 270 different utilities. For FPUC and our customers, GoodCents homes provides guidance concerning energy efficiency in new construction by promoting energy efficient home construction techniques by evaluating components in the categories of design and construction practices.

In an effort to further enhance the GoodCents Home Program and market it more efficiently and effectively, GoodCents signed a Memorandum of Understanding with the Department of Energy (DOE) and the Environmental Protection Agency (EPA). Since FPUC is a member of GoodCents this agreement provides the opportunity to offer the Energy Star Home Program to builders and customers and correlates the performance of GoodCents homes to the nationally recognized Energy Star efficiency label. In many cases, a standard GoodCents home will also qualify as an Energy Star Home. The GoodCents Home standards continue to exceed the minimum efficiency standards for new construction as set forth by the Florida Model Energy Code.

PROGRAM ACCOMPLISHMENTS: The year's goal was 29. A total of 36 GoodCents Homes have been built during this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$29,693.

PROGRAM PROGRESS SUMMARY: We will continue to enhance our efforts in promoting contractor participation and customer benefits. We have conducted open house days to provide information to prospective home builders and information presentations have been made to educate area builders, realtors and suppliers. With our continued efforts in promoting this program we will continue to see our participation numbers rise over the next years and while building on our success with even greater creative marketing efforts in order to reach our goal.

PROGRAM TITLE: GoodCents Energy Survey Program

PROGRAM DESCRIPTION: The objective of the GoodCents Energy Survey Program is to provide FPUC's residential customers with energy conservation advice that will encourage the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the audit process, the customer is provided with specific whole-house recommendations. Also during the survey process duct leakage will be addressed. If a problem is identified recommendations will be made for further analysis and repairs.

The conservation measures, once implemented, also lower FPUC's energy requirements, as well as improve operating efficiencies. As a result, the increase in operating efficiencies provides for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM ACCOMPLISHMENTS: The goal for this program is 150 participants. This has been a successful program to date. Audits have been conducted for 152 customers at the end of this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$52,487.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through newspaper, radio and cable TV that we will continue to exceed our participant goals in this program in the future.

PROGRAM TITLE: GoodCents Loan Program

PROGRAM DESCRIPTION: The objective of the GoodCents Loan Program was to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. The program was designed to work in conjunction with FPUC's approved GoodCents Energy Survey Program. During the survey process, the customer was provided with specific whole-house recommendations. An FPUC representative submitted a completed loan application once the customer decides to install the conservation features. After the application has been approved, the customer contacted a contractor to install the recommended conservation features. After the work was completed, an inspection was performed by FPUC to ensure all energy conservation features covered by the loan are installed. Confirmation of the installed features was provided to the participating bank. The increased operating efficiencies of the installed features provided a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM ACCOMPLISHMENTS: This year's goal is 15 program participants. During this reporting period we have completed 0 loans.

PROGRAM FISCAL EXPENDITURES: Expenditures for the reporting period January 1, 2004 through December 31, 2004 were \$7.

PROGRAM PROGRESS SUMMARY: In 2002 this program was approved by the PSC for discontinuation due to the lack of participations and the cost of implementing the program. We may continue to incur expenses due to past unsecured defaulted loans.

PROGRAM TITLE: GoodCents Commercial Building Program

PROGRAM DESCRIPTION: The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these area that, if adhered to, will help reduce peak demand and energy consumption.

The promotion of the GoodCents Building Program through the years has featured a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design continues to be sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the kW and kWh savings due to the GoodCents Building Program, the GoodCents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the kW and kWh differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating kW and kWh difference.

PROGRAM ACCOMPLISHMENTS: This year's goal is 5 and for this reporting period we have had 4 GoodCents Building qualifications in the Fernandina Beach service territory.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$11,174.

PROGRAM PROGRESS SUMMARY: We feel that we will continue our success with this program as we further develop relations with architects and contractors to gain knowledge of possible projects. We have laid the foundation of customer trust in this area through our GoodCents Commercial Technical Assistance Program and with this relationship we feel we will continue to be successful in meeting our program goal.

PROGRAM TITLE: GoodCents Commercial Technical Audit Assistance Program

PROGRAM DESCRIPTION: The GoodCents Commercial Technical Assistance Audit Program is an interactive program that provides commercial customers assistance in identifying advanced energy conservation opportunities. It is customized to meet the individual needs of large customers as required; therefore, it is an evolving program.

The Technical Assistance Audit process consists of an on-site review by FPUC Conservation Consultant of the customer's facility operation, equipment and energy usage pattern. The consultant identifies areas of potential reduction in kW and kWh consumption as well as identifying end-use technology opportunities. A technical evaluation is then performed which often includes performing an AXCESS simulation in order to ascertain an economy payback or life cycle cost analysis for various improvements to the facility. When necessary FPUC will subcontract the evaluation process to an independent engineering firm and/or contracting consultant.

PROGRAM PROJECTION: This year's goal is 17 and a total of 13 GoodCents Commercial Technical Audits were completed during this reporting period.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$19,807

PROGRAM PROGRESS SUMMARY: By continuing to build relationships with our commercial customers we are optimistic that our commercial/Industrial customers will involve us to a greater extent in future projects based upon trust and knowledge.

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PROGRAM TITLE: Low Income Program

PROGRAM DESCRIPTION: FPUC presently has energy education programs that identify low cost and or no cost conservation measures. In order to better assist low-income customers in managing their energy purchases, the presentation and format of these energy education programs are tailored to the audience. These programs provide basic energy education, as well as inform the customers of other specific services, such as free energy survey, that FPUC currently offers.

PROGRAM ACCOMPLISHMENTS: For January 2004 through December 2004: There are no goals set for this program.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$0.

PROGRAM PROGRESS SUMMARY: Even though this year there were no special events or presentations directly related to low income customers we will continue to promote the opportunity to educate low-income customers on the benefits of an energy efficient home and use.

PROGRAM TITLE: Affordable Housing Builders and Providers Program

PROGRAM DESCRIPTION: FPUC will identify the affordable housing builders within the service area and will encourage them to attend education seminars and workshops related to energy efficient construction, retrofit programs, financing programs, etc., and to participate in the GoodCents Home Program. FPUC will work with the Florida Energy Extension Service and other seminar sponsors to offer seminars and/or workshops. FPUC will work with all sponsors to reduce or eliminate attendances fees for affordable housing providers.

PROGRAM PROJECTION: For January 2004 through December 2004: There is no goal for this program.

PROGRAM FISCAL EXPENDITURES: Expenditures beginning January 1, 2004 through December 31, 2004 were \$0..

PROGRAM PROGRESS SUMMARY: Even though there were no presentations or education programs presented that were directly related to the affordable housing industry we will continue promoting this opportunity to local housing authorities. Also, this program will continue to provide FPUC the opportunity to educate affordable housing contractors on the benefits of building a home to GoodCents standards as well as introduce new and innovative energy efficient building technology.

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