

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** May 16, 2006  
**TO:** Lee R. Colson, Utilities System/Engineering Specialist, Division of Economic Regulation  
**FROM:** Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance & Consumer Assistance  
**RE:** **Docket No:** 060002-EG; **Company Name:** Florida Public Utility Company  
**Audit Purpose:** Energy Conservation Cost Recovery Clause Audit  
**Audit Control No:** 06-040-4-2

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Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV:bj  
Attachments

Copy: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)  
Division of Commission Clerk & Administrative Services (2)  
Division of Competitive Markets and Enforcement (Harvey)  
General Counsel  
Office of Public Counsel

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**FLORIDA PUBLIC SERVICE COMMISSION**

*DIVISION OF REGULATORY COMPLIANCE AND  
CONSUMER ASSISTANCE  
BUREAU OF AUDITING*

*Miami District Office*

**Florida Public Utilities Company  
Electric Energy Conservation Clause Audit**

**Twelve Months Ended December 31, 2005**

**DOCKET #060002-EG  
AUDIT CONTROL NO. 06-040-4-2  
Report Issued May 10, 2006**

A handwritten signature in cursive script, reading "Ruth K. Young".

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*Ruth K. Young  
Audit Manager*

A handwritten signature in cursive script, reading "Kathy Welch".

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*Kathy Welch  
Public Utilities Supervisor*

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
AUDITOR'S REPORT**

**May 10, 2006**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED  
PARTIES**

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules prepared by Florida Public Utilities in support of its electric energy conservation clause filing for 2005.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use.

## **OBJECTIVES AND PROCEDURES:**

**Objective:** The objective of the audit was to determine if there were changes in the conservation programs in 2005. We also determined if the expenses in 2005 were materially different than in 2004 and if the actual expenses for 2005 were within budget.

**Procedure:** We compared the programs in the filing for 2005 to the programs in effect in 2004. Each type of expense in 2005 was compared to the same expense in 2004. The company was asked to explain any anomaly, and we followed up on the company responses by sampling the expenses involved in the anomaly. No significant problems were found.

**Objective:** The objective of the audit was to determine if the company applied the Commission approved cost recovery factor to actual KWH sales.

**Procedure:** We obtained the company revenue reports for four months and applied the Commission approved factor to the KWH sales. The totals were compared to the reported sales on the company filing. We also recalculated the bills for a random sample of individual customers. No errors were found.

**Objective:** The objective of the audit was to determine that the actual program expenses are representative of company activity and are properly computed and recorded on the company books.

**Procedure:** The expenses in the filing were tied to the general ledger. A judgmental sample of all expenses was selected and the source documentation for the sample items were reviewed to make sure the item was a conservation expense and charged to the correct account. Audit Finding No. 1 addresses expenses that were not for conservation. For advertising and promotions, we reviewed all source documents to make sure they followed the criteria from PSC Rule 25-17.015. Audit Findings 2 and 3 address advertising and promotion expenses. Audit Finding 4 also addresses questionable conservation expenses.

Payroll was compiled from the general ledger. Employees who charged time to electric conservation were traced to the company's organization chart to determine that their position was related to conservation.

**Objective:** The objective of the audit was to determine if the true-up calculation and interest provision as filed was properly calculated.

**Procedures:** We agreed the beginning true-up to the PSC order. The true-up was recalculated for the year using the Wall Street Journal interest rates.

**Objective:** The objective of the audit was to verify that the yearly report to the Commission detailing the company's achieved KWH savings results is accurate for

three programs (GoodCents Home/Energy Star, Commercial/Industrial GoodCents Building, and GoodCents Commercial Technical Assistance).

**Procedures:** We agreed planned KWH savings to the company's four year demand side management plan dated June 1, 2004. The achieved KWH savings for 2005 for each program were recalculated. We agreed the number of customers participating to appropriate company records. Documents verifying that the customers participated were reviewed. No errors were found.

**AUDIT FINDING NO. 1**

**SUBJECT: NON-CONSERVATION EXPENSE**

**SUMMARY:** Costs in the amount of \$6,061.29 and \$1,065.72 for a total of \$7,127.01 were charged to conservation in error.

**STATEMENT OF FACT:** In September 2005, postage for sending out bills in the amount of \$6,061.29 was charged to conservation account 115.4010.909. It was explained by company personnel that this cost was not for conservation and charged in error.

In September 2005, \$1,065.72 was charged to conservation account 115.4010.908 for storage of records. It was explained by company personnel that this charge was not for conservation and charged in error.

**EFFECT ON GENERAL LEDGER:** Because the 2005 books are already closed, the only adjustment should be to increase the deferred over-recovery account in 2006 and debit retained earnings. No adjustment should be made to the 2006 conservation expenses.

**EFFECT ON FILING:** The cost in the month of September should be decreased by \$7,127, and the total cost at December 31, 2005 the same. The total interest at year end should be increased by \$385 and the over-recovery increased by \$7,211. For 2006 the company's beginning period true-up should be adjusted to increase the over-recovery by \$7,211. This increased over-recovery should be the beginning balance in the 2006 filing. The chart below details the differences between the filing and a recalculation removing the above costs.

	Filing	Recalculation	Incr (Decr) Difference
September Costs	48,303	41,176	-7,127
Total Costs at 12/31/05	473,610	466,483	-7,127
Interest at 12/31/05	4,453	4,838	385
True Up at 12/31/05	106,997	114,208	7,211

## **AUDIT FINDING NO. 2**

### **SUBJECT:           ADVERTISING AND PROMOTIONAL EXPENSES**

**SUMMARY:** Some of the advertising and promotional invoices only partially met the criteria set forth in the Commission rule.

**STATEMENT OF FACTS:** In Commission Rule 25-17.0015, Florida Administrative Code, the Commission set forth the standards for conservation advertising. They are:

1. Is the ad related to an approved conservation program?
2. Does the advertising address a specific problem?
3. Does the ad state how to correct the problem?
4. Does the ad provide direction on how to obtain help to alleviate the problem?

A sample of advertising and promotional invoices revealed that some of the ads and some of the promotional items partially meet the criteria set forth in the Commission rule. A list and description of these items follow. These are presented for the analyst's review.

**EFFECT ON GENERAL LEDGER:** If it is determined that the ads and promotion items do not meet the criteria, then the over-recovery account in the general ledger would be increased (including interest) and retained earnings debited. Because the 2005 books are already closed, this is the only adjustment. This adjusted over-recovery amount should be used as the beginning balance in the 2006 filing. No adjustment should be made to the 2006 conservation expenses.

**EFFECT ON THE FILING:** If it is determined that these ads and promotion items do not meet the criteria, then the 2005 costs in the filing would be reduced in the appropriate months. The effect would be to decrease total costs, increase interest, and increase the over-recovery. This adjusted over-recovery amount should be used as the beginning balance in the 2006 filing.



COMPANY:  
TITLE:

FPUC - ELECTRIC CONSERVATION  
QUESTIONABLE ADVERTISEMENTS  
AND PROMOTIONS

Exhibit Number	Date	Payee	Explanation	Marianna Amount	Fernandina Amount
3	1/25/2005	Bevis Racing	Sign at Races Name of Company, Good Cents Logo, Telephone number, web site address, and street address. "The Signs of Quality, Comfort and Savings."	600.00	0.00
2	3/15/2005	Jackson Hospital Foundation	Banner at Foundation Gala Name of Company, Good Cents Logo, telephone number and web site Address. "The Signs of Quality, Comfort and Savings."	850.00	0.00
1	9/9/2005	FI Baptist Childrens Home	Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.		
2	9/27/2005	American Cancer Society	Banner at Cattle Baron Ball Banner includes name of company, Good Cents logo, telephone number and web site address. "The Signs of Comfort and Conservation."	1,500.00	0.00
1	10/5/2005	Chipola Appreciation Club	Sign at Basketball Games Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.	1,000.00	0.00
3	12/9/2005	Marianna HighSchool Softball Booster	Sign at Softball Field for Season Name of Company, Good Cents Logo, telephone number, web site address, and street address. "The Signs of Quality, Comfort and Savings."	200.00	0.00
1	2/25/2005	Covenant Hospice	Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.	500.00	0.00

COMPANY:  
TITLE:

FPUC - ELECTRIC CONSERVATION  
QUESTIONABLE ADVERTISEMENTS  
AND PROMOTIONS

Exhibit Number	Date	Payee	Explanation	Marianna Amount	Fernandina Amount
4	7/11/2005	Promotional Services of Florida	70 Coolers - Used as Thank You Gifts for Good Cents builders who attended a hospitality event during the Southeastern Builders Conference in Orlando on Friday, July 15, 2005 Builders had a tie-in by participating in approved conservation programs. Writing includes "FPU, GoodCents," "Building Smarter, Saving Money & Conserving Energy with GoodCents"	341.05	381.16
3	8/2/2005	Marianna Quarterback	Sign at Softball Field for Season Name of Company, Good Cents Logo, telephone number, web site address, and street address. "The Signs of Quality, Comfort and Savings."	150.00	0.00
1	5/19/2005	FI Caverns Golf Course	Sponsor Baseball Event Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.	225.00	0.00
1	6/22/2005	Marianna Quarterback	Sign at football field entrance. Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.	150.00	0.00
3	2/15/2005	City of Cottondale	Sign at Recreational Field Name of Company, Good Cents Logo, telephone number, web site address, and street address. "The Signs of Quality, Comfort and Savings."	125.00	0.00
1	8/3/2005	Jackson Hospital Foundation	Sign at Event Sign that says "Comfort, Conservation" Includes name of company, Good Cents logo, telephone number and web site address.	500.00	0.00

COMPANY:  
TITLE:

FPUC - ELECTRIC CONSERVATION  
QUESTIONABLE ADVERTISEMENTS  
AND PROMOTIONS

Exhibit Number	Date	Payee	Explanation	Marianna Amount	Fernandina Amount
No Photo Available	10/14/05	That's It Promotions	Small canvas Bag which holds garden tools. Writing on the bag is "Build Smart, Save Money and Conserve Energy!" Also includes FPU logo, Good Cents Logo and web site address. Total of 50 bags. 20 of these bags were given out to some builders and office personnel that were vital to the success of the Good Cents Home program at the annual builders dinner.	1,195.84	0

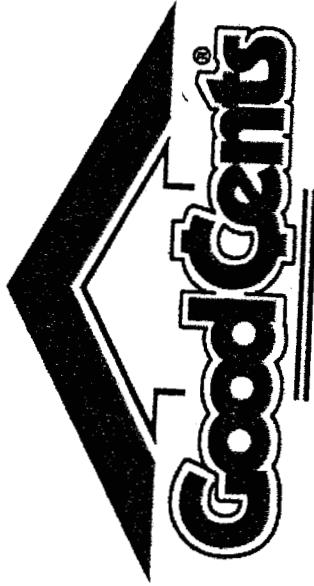
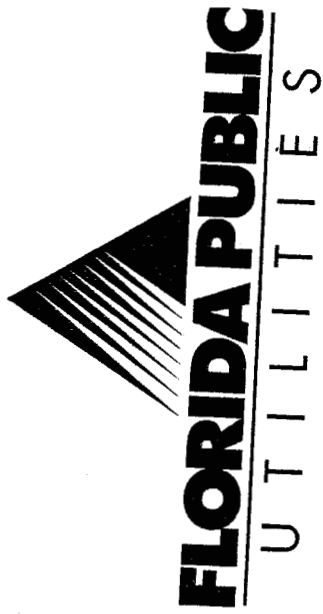
◆ Comfort  
◆ Conservation



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# The Signs of Comfort and Conservation



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MAR 23 2005  
Summer

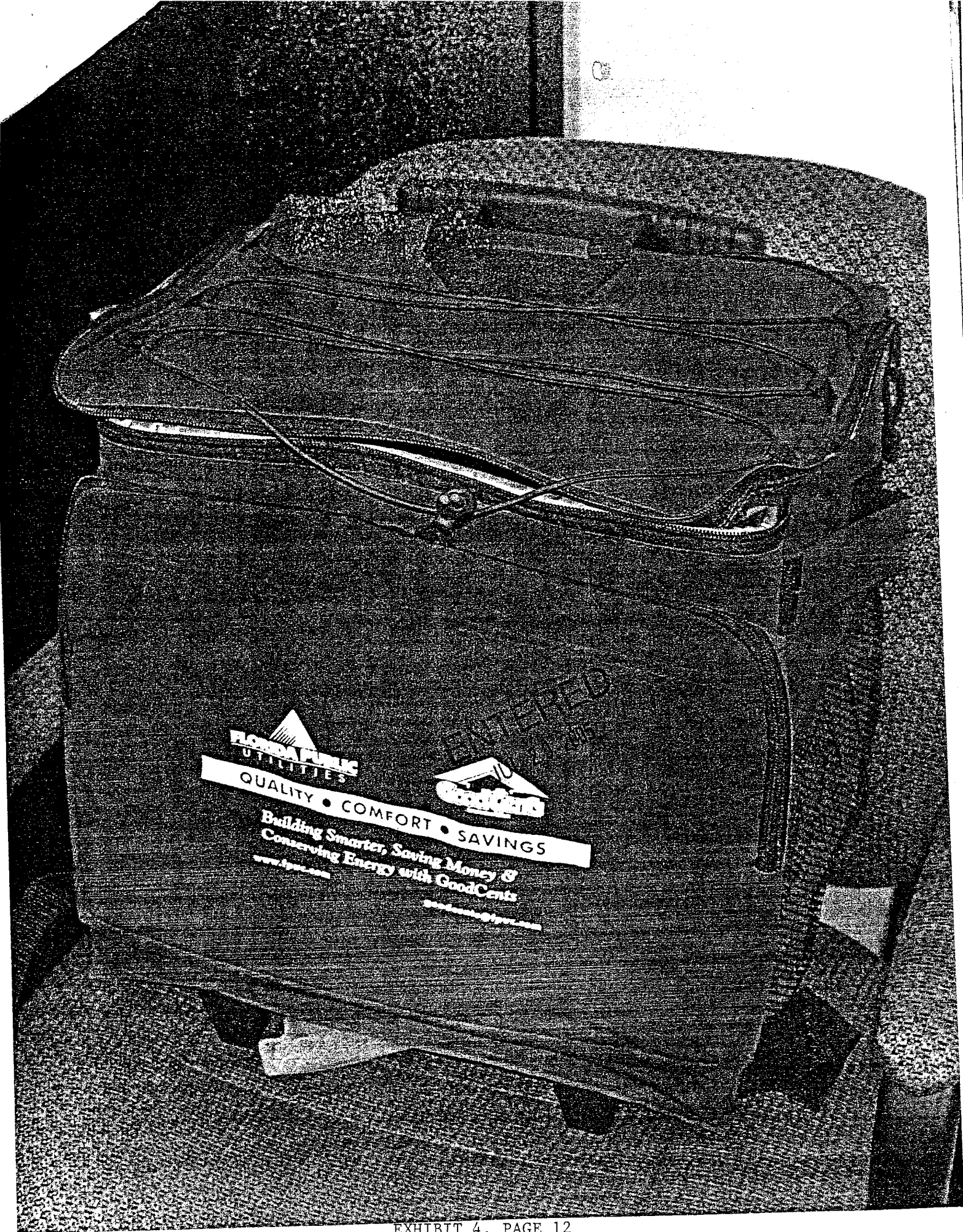
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**AUDIT FINDING NO. 3**

**SUBJECT: DISALLOWED EXPENSES IN 2004**

**SUMMARY:** Dues to a service organization that were disallowed in 2004 were included in 2005.

**STATEMENT OF FACTS:** The payments to the Pilot Club of Marianna were disallowed in 2004. In 2005, the company included \$237.82 in its filing. The company representative explained that this is a service organization and the company marketing representative is a member. This gives the representative contact with the Community. From time to time the marketing representative makes presentations to the organization regarding conservation programs.

**EFFECT ON GENERAL LEDGER:** If it is determined that this expense should not be included as a conservation expense, then the over-recovery account in the general ledger would be increased (including interest) and a debit to retained earnings. Because the 2005 books are already closed, this is the only adjustment. This adjusted over-recovery amount should be used as the beginning balance in the 2006 filing. No adjustment should be made to the 2006 conservation expenses.

**EFFECT ON THE FILING:** If it is determined that this expense should not be included as a conservation expense, then the 2005 costs in the filing would be reduced in the appropriate months. The effect would be to decrease total costs, increase interest, and increase the over-recovery. This adjusted over-recovery amount should be used as the beginning balance in the 2006 filing.



**AUDIT FINDING NO. 4**

**SUBJECT: EXPENSE REPORTS**

**SUMMARY:** Documentation for business lunches and dinners consists of a one line explanation of what was discussed.

**STATEMENT OF FACTS:** The conservation representative in Fernandina Beach has business lunches or dinners with builders, HVAC contractors, insulation contractors and architects to inform them about and discuss the GoodCents and rebate programs. The documentation of these discussions consists of a line for each lunch or dinner that says: "Discuss GoodCents", "Discuss HVAC Rebate Program", "Discuss Insulation Rebate Program", and "attend Association Meeting." The amounts in 2005 were:

Date of Expense Report	Amount for Lunches and Dinners
4/30/2005	130.17
5/17/2005	147.58
6/2/2005	141.08
7/25/2005	256.59
9/2/2005	112.24
9/13/2005	195.60
9/19/2005	181.39
9/30/2005	154.64
10/21/2005	161.89
11/4/2005	174.98
12/7/2005	160.80
12/27/2005	190.47
1/4/2006	<u>156.00</u>
	2,163.43

This is presented for the analyst to determine if this is adequate documentation, or if the company needs to prepare more detailed agendas for these lunch or dinner meetings.

**EFFECT ON GENERAL LEDGER:** If it is determined that this is adequate documentation, then there is no effect. If it is determined that this expense should not be included as a conservation expense, then the over-recovery account in the general ledger would be increased (including interest) and retained earnings debited. Because the 2005 books are already closed, this is the only adjustment. This adjusted over-recovery amount should be used as the beginning balance in the 2006 filing. No adjustment should be made to the 2006 conservation expenses.

**EFFECT ON FILING:** If it is determined that this is adequate documentation, then there is no effect. If it is determined that these costs should not be included as a

conservation expense, then the 2005 costs in the filing would be reduced in the appropriate months. The effect would be to decrease total costs, increase interest, and increase the over-recovery. The adjusted over-recovery amount should be used as the beginning balance in the 2006 filing.

## EXHIBITS

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VS PROJECTED

FOR MONTHS January-05 THROUGH December-05

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1. LABOR/PAYROLL	202,445	196,127	6,318
2. ADVERTISING	172,268	144,277	27,991
3. LEGAL	706	1,376	(670)
4. OUTSIDE SERVICES/CONTRACT	10,910	9,904	1,006
5. VEHICLE COST	16,849	17,485	(636)
6. MATERIAL & SUPPLIES	20,887	19,805	1,082
7. TRAVEL	10,102	11,704	(1,602)
8. GENERAL & ADMIN	30,478	34,433	(3,955)
9. INCENTIVES	7,800	6,250	1,550
10. OTHER	1,165	2,450	(1,285)
11. SUB-TOTAL	473,610	443,811	29,799
12. PROGRAM REVENUES			
13. TOTAL PROGRAM COSTS	473,610	443,811	29,799
14. LESS: PRIOR PERIOD TRUE-UP	(131,832)	(131,832)	0
15. AMOUNTS INCLUDED IN RATE BASE			
16. CONSERVATION ADT REVENUE	(444,321)	(430,072)	(14,249)
17. ROUNDING ADJUSTMENT			
18. TRUE-UP BEFORE INTEREST	(102,543)	(118,093)	15,550
19. ADD INTEREST PROVISION	(4,454)	(4,792)	338
20. END OF PERIOD TRUE-UP	(106,997)	(122,885)	15,888

() REFLECTS OVERRECOVERY

\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 060002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MSS-1)  
PAGE 2 OF 36

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC  
CONSERVATION ADJUSTMENT TRUE-UP

SCHEDULE CT-1  
PAGE 1 OF 1

FOR MONTHS January-05 THROUGH December-05

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-05 THROUGH December-05		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(102,543)</u>	
5.	INTEREST	<u>(4,454)</u>	<u>(106,997)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(118,093)</u>	
9.	INTEREST	<u>(4,792)</u>	<u>(122,885)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>15,888</u>

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 060002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MSS-1)  
PAGE 1 OF 36

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-05 THROUGH December-05

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	93,923	3,352	706	1,374	16,163	9,570	83	24,352	0	0	149,523		149,523
11. Residential Geothermal Heat Pump	141	107	0	0	0	448	0	395	0	175	1,266		1,266
12. GoodCents Home/Energy Star Program	38,878	44,569	0	1,834	472	5,150	5,990	5,493	0	175	102,561		102,561
13. GoodCents Energy Survey Program	36,522	57,262	0	0	214	4,667	2,771	625	0	163	102,224		102,224
14. GoodCents Loan Program	0	0	0	0	0	0	0	(387)	0	0	(387)		(387)
15. GoodCents Commercial Building Program	13,201	13,493	0	0	0	752	126	0	0	163	27,735		27,735
16. GoodCents Commercial Tech. Assist. Program	16,111	18,705	0	7,702	0	300	421	0	0	0	43,239		43,239
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
19. Residential Heat and Cool Eff. Upgrade Program	2,707	7,212	0	0	0	0	459	0	7,100	163	17,641		17,641
20. Residential Ceiling Insulation Upgrade Program	962	11,130	0	0	0	0	252	0	700	163	13,207		13,207
21. Comm. Indoor Eff. Light. Rebate Program	0	14,711	0	0	0	0	0	0	0	163	14,874		14,874
22. Educ./Conserv. Demo. And Devel. Program	0	1,727	0	0	0	0	0	0	0	0	1,727		1,727
											0		0
TOTAL ALL PROGRAMS	202,445	172,268	706	10,910	16,849	20,887	10,102	30,478	7,800	1,165	473,610	0	473,610

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

FOR MONTHS January-05 THROUGH December-05

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	13,254	(3,112)	(670)	(1,169)	2,310	4,077	(1,000)	2,143	0	(50)	15,783	0	15,783
11. Residential Geothermal Heat Pump	(680)	(223)	0	(400)	0	(180)	(130)	395	0	175	(1,043)	0	(1,043)
12. GoodCents Home/Energy Star Program	3,342	(1,267)	0	(510)	0	277	2,633	(1,041)	0	(45)	3,389	0	3,389
13. GoodCents Energy Survey Program	2,222	12,565	0	(1,920)	(2,546)	(2,374)	(180)	(3,040)	0	(1,337)	3,390	0	3,390
14. GoodCents Loan Program	0	0	0	0	0	0	0	(112)	0	0	(112)	0	(112)
15. GoodCents Commercial Building Program	138	3,625	0	(330)	0	452	(74)	(120)	0	123	3,814	0	3,814
16. GoodCents Commercial Tech. Assist. Program	0	10,546	0	7,605	0	(150)	(654)	0	0	0	17,347	0	17,347
17. Low Income	(650)	0	0	0	0	(100)	0	0	0	(90)	(840)	0	(840)
18. Affordable Housing Builders & Providers Program	(662)	0	0	0	0	(90)	0	(70)	0	(30)	(852)	0	(852)
19. Residential Heat and Cool Eff. Upgrade Program	(2,912)	(3,655)	0	0	0	0	166	(670)	3,350	13	(3,708)	0	(3,708)
20. Residential Ceiling Insulation Upgrade Program	(4,134)	843	0	0	0	0	27	(670)	(630)	163	(4,401)	0	(4,401)
21. Comm. Indoor Eff. Light. Rebate Program	(2,110)	8,271	0	0	0	0	0	0	(1,170)	163	5,154	0	5,154
22. Educ./Conserv. Demo. And Devel. Program	(1,490)	398	0	(2,270)	(400)	(830)	(2,390)	(770)	0	(370)	(8,122)	0	(8,122)
<b>TOTAL ALL PROGRAMS</b>	<b>6,318</b>	<b>27,991</b>	<b>(670)</b>	<b>1,006</b>	<b>(636)</b>	<b>1,082</b>	<b>(1,602)</b>	<b>(3,955)</b>	<b>1,550</b>	<b>(1,285)</b>	<b>29,799</b>	<b>0</b>	<b>29,799</b>

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

FOR MONTHS January-05 THROUGH December-05

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	11,512	13,835	15,750	17,060	23,761	(1,052)	11,629	6,285	14,672	13,600	11,962	10,509	149,523
11. Residential Geothermal Heat Pump	501	(4)	0	0	0	0	92	0	107	175	0	395	1,266
12. GoodCents Home/Energy Star Program	4,061	5,558	11,024	8,210	5,548	9,938	7,475	16,612	3,645	15,026	8,795	6,669	102,561
13. GoodCents Energy Survey Program	8,042	8,815	6,008	7,385	4,769	8,635	5,360	12,300	11,970	10,671	7,343	10,926	102,224
14. GoodCents Loan Program	(50)	(40)	(40)	(30)	(30)	(30)	(25)	(30)	77	(137)	(30)	(22)	(387)
15. GoodCents Commercial Building Program	1,783	1,188	1,709	1,250	2,361	3,804	1,576	3,411	4,516	2,688	901	2,548	27,735
16. GoodCents Commercial Tech. Assist. Program	1,730	1,487	1,178	1,723	2,183	1,751	1,339	5,980	3,083	9,603	5,849	7,333	43,239
17. Low Income	0	0	0	0	0	0	0	0	86	(86)	0	0	0
18. Affordable Housing Builders & Providers Program	0	0	0	0	0	0	0	0	86	(86)	0	0	0
19. Residential Heat and Cool Eff. Upgrade Program	0	0	0	0	700	4,302	971	1,735	1,680	3,720	1,909	2,624	17,641
20. Residential Ceiling Insulation Upgrade Program	0	0	0	0	0	2,624	247	1,098	318	1,700	7,488	(268)	13,207
21. Comm. Indoor Eff. Light. Rebate Program	0	0	0	0	0	2,625	938	1,877	7,867	163	1,638	(234)	14,874
22. Educ./Conserv. Demo. And Devel. Program	0	0	0	0	0	0	1,330	0	196	309	(108)	0	1,727
													0
21. TOTAL ALL PROGRAMS	27,579	30,839	35,629	35,598	39,292	32,597	30,932	49,268	48,303	57,346	45,747	40,480	473,610
22. LESS AMOUNT INCLUDED IN RATE BASE													
23. RECOVERABLE CONSERVATION EXPENSES	27,579	30,839	35,629	35,598	39,292	32,597	30,932	49,268	48,303	57,346	45,747	40,480	473,610



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES	(35,774)	(34,622)	(34,717)	(30,085)	(31,154)	(38,981)	(43,367)	(42,121)	(47,083)	(40,498)	(32,660)	(33,259)	(444,321)
1. RESIDENTIAL CONSERVATION	0												0
2. CONSERVATION ADJ. REVENUES	(35,774)	(34,622)	(34,717)	(30,085)	(31,154)	(38,981)	(43,367)	(42,121)	(47,083)	(40,498)	(32,660)	(33,259)	(444,321)
3. TOTAL REVENUES	(35,774)	(34,622)	(34,717)	(30,085)	(31,154)	(38,981)	(43,367)	(42,121)	(47,083)	(40,498)	(32,660)	(33,259)	(444,321)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(10,986)	(131,832)
5. CONSERVATION REVENUE APPLICABLE	(46,760)	(45,608)	(45,703)	(41,071)	(42,140)	(49,967)	(54,353)	(53,107)	(58,069)	(51,484)	(43,646)	(44,245)	(576,153)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	27,579	30,839	35,629	35,598	39,292	32,597	30,932	49,268	48,303	57,346	45,747	40,480	473,610
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(19,181)	(14,769)	(10,074)	(5,473)	(2,848)	(17,370)	(23,421)	(3,839)	(9,766)	5,862	2,101	(3,765)	(102,543)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(274)	(305)	(326)	(339)	(339)	(353)	(401)	(433)	(443)	(438)	(412)	(391)	(4,454)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(131,832)	(140,301)	(144,389)	(143,803)	(138,629)	(130,830)	(137,567)	(150,403)	(143,689)	(142,912)	(126,502)	(113,827)	(131,832)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	10,986	10,986	10,986	10,986	10,986	10,986	10,986	10,986	10,986	10,986	10,986	10,986	131,832
11. TOTAL NET TRUE-UP (LINES 7+8+9A+10)	(140,301)	(144,389)	(143,803)	(138,629)	(130,830)	(137,567)	(150,403)	(143,689)	(142,912)	(126,502)	(113,827)	(106,997)	(106,997)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-05 THROUGH December-05

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	(131,832)	(140,301)	(144,389)	(143,803)	(138,629)	(130,830)	(137,567)	(150,403)	(143,689)	(142,912)	(126,502)	(113,827)	(131,832)
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(140,027)	(144,084)	(143,477)	(138,290)	(130,491)	(137,214)	(150,002)	(143,256)	(142,469)	(126,064)	(113,415)	(106,606)	(102,543)
3.	TOTAL BEG. AND ENDING TRUE-UP	(271,859)	(284,385)	(287,866)	(282,093)	(269,120)	(268,044)	(287,569)	(293,659)	(286,158)	(268,976)	(239,917)	(220,433)	(234,375)
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	(135,930)	(142,193)	(143,933)	(141,047)	(134,560)	(134,022)	(143,785)	(146,830)	(143,079)	(134,488)	(119,959)	(110,217)	(117,188)
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	2.34%	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.79%	4.03%	4.21%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.79%	4.03%	4.21%	4.30%	
7.	TOTAL (LINE C-5 + C-6)	4.84%	5.15%	5.43%	5.76%	6.04%	6.33%	6.70%	7.07%	7.43%	7.82%	8.24%	8.51%	
8.	AVG. INTEREST RATE (C-7 X 50%)	2.42%	2.58%	2.72%	2.88%	3.02%	3.17%	3.35%	3.54%	3.72%	3.91%	4.12%	4.26%	
9.	MONTHLY AVERAGE INTEREST RATE	0.202%	0.215%	0.226%	0.240%	0.252%	0.264%	0.279%	0.295%	0.310%	0.326%	0.343%	0.355%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	(274)	(305)	(326)	(339)	(339)	(353)	(401)	(433)	(443)	(438)	(412)	(391)	(4,454)

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-4  
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-05 THROUGH December-05

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

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 060002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MSS-1)  
PAGE 8 OF 36

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-05 THROUGH December-05

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 060002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(MSS-1)  
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