

ORIGINAL

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
MARC S. SEAGRAVE
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

10 Q. Please state your name and business address.

11 A. Marc S. Seagrave: my business address is P.O.
12 Box 3395 West Palm Beach, Florida 33402-3395.

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

14 A. I am employed by Florida Public Utilities
15 Company as Director of Marketing and Sales.

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

18 A. To Advise the Commission as to the Conservation
19 Cost Recovery Clause Calculation for the period
20 January, 2007 through December, 2007.

21 Q. What respectively are the total projected costs
22 for the period January 2007 through December,
23 2007 in the Consolidated Electric Division?

24 A. The total projected Conservation Program Costs
25 are \$523,000. Please see Schedule C-2, page 2,
26 for the programmatic and functional breakdown of
27 these total costs.

28 Q. What is the true-up amount to be applied to
29 determine the projected net total costs for the
30 period January, 2006 through December, 2006?

31 A. As reflected in the "C" Schedules, the true-up amount is \$8501.00
DOCUMENT NUMBER-DATE: 08501 SEP 15 08

1 amount for Consolidated Electric Division is
2 \$29,808. The amount is based upon seven months
3 actual and five months estimated data.

4 Q. What are the resulting net total projected
5 conservation costs to be recovered during this
6 period?

7 A. The net total costs to be recovered are
8 \$493,192.

9 Q. What is the Conservation Adjustment Factor
10 necessary to recover these projected net total
11 costs?

12 A. The Conservation Adjustment Factor is \$.00060
13 per KWH.

14 Q. Are there any exhibits that you wish to sponsor
15 in this proceeding?

16 A. Yes. I wish to sponsor as exhibits for each
17 division Schedules C-1, C-2, C-3, C-4, and C-5
18 (Composite Prehearing Identification Number
19 MSS-2), which have been filed with this
20 testimony.

21 Q. How does Florida Public Utilities plan to
22 promote the Commission approved conservation
23 programs to customers?

24 A. These programs will be promoted through the
25 continued implementation of the company's "Good
26 Cents" branding.

27 Q. What is the "Good Cents" branding?

1 A. "Good Cents" is a nationally recognized,
2 licensed energy conservation branding program.
3 This program is fuel neutral by design and has
4 been successfully utilized by approximately 300
5 electric and natural gas utilities located
6 across 38 states from Maine, to Florida to
7 California and Washington.

8 Q. How does Florida Public Utilities utilize this
9 branding?

10 A. Florida public utilities has successfully
11 leveraged the GoodCents marketing by other
12 utilities in northern Florida and southern
13 Georgia since approximately 1980 and has built a
14 high level of awareness within these electric
15 territories. The Company uses the "Good Cents"
16 branding to create an awareness of its energy
17 conservation among consumers, businesses,
18 builders and developers.

19 Florida Public Utilities will leverage the high
20 visibility brand, well established national
21 image of quality, value and savings, established
22 public awareness, and proven promotional lift
23 (average 11%) to build participation in our
24 residential and commercial energy conservation
25 programs. We will apply the branding strategy
26 to promote activities via broadcast and print
27 media, educational events and collateral

1 materials. Through this branding, end users and
2 decision makers can readily identify where to
3 obtain energy expertise to assist them with
4 their energy decisions.

5 Q. Has Florida Public Utilities Company included
6 the estimated cost of the campaign in the
7 projected costs associated with the conservation
8 programs?

9 A. Yes, the estimated cost of the campaign and
10 services are included in the budget projections
11 for 2007.

12 Q. Does this conclude your testimony?

13 A. Yes.
14

ORIGINAL

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-07 THROUGH December-07

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>523,000</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(29,808)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>493,192</u>
4.	RETAIL KWH/THERM SALES	<u>820,036,000</u>
5.	COST PER KWH/THERM	<u>0.00060143</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00060200</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.060</u>

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DOCUMENT NUMBER-DATE

08501 SEP 15 08

FPSC-COMMISSION CLERK

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-07 THROUGH December-07

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
10 Common	15,310	15,290	15,290	15,290	15,290	15,290	15,290	15,290	15,290	15,290	15,290	15,290	183,500
11 Residential Geothermal Heat Pump	150	100	100	100	100	100	100	100	100	100	100	100	1,250
12 GoodCents Home/Energy Star	10,560	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	126,500
13 GoodCents Energy Survey Program	9,560	9,540	9,540	9,540	9,540	9,540	9,540	9,540	9,540	9,540	9,540	9,540	114,500
14	0	0	0	0	0	0	0	0	0	0	0	0	0
15 GoodCents Commercial Building	2,600	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	31,750
16 GoodCents Commercial Tech. Assistance	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	31,800
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 GoodCents Heating and Cooling Upgrade	1,160	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	14,250
20 GoodCents Ceiling Insulation upgrade Program	570	580	580	580	580	580	580	580	580	580	580	580	6,950
21 GoodCents Commercial Indoor Lighting Rebate	870	830	830	830	830	830	830	830	830	830	830	830	10,000
22 Conservation Demonstration & Development	190	210	210	210	210	210	210	210	210	210	210	210	2,500
													0
													0
													0
													0
													0
													0
													0
31. TOTAL ALL PROGRAMS	43,620	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	523,000
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	43,620	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	523,000

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-07 THROUGH December-07

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
10. Common	117,500	3,000	1,250	2,500	22,000	6,000	250	31,000	0	0	183,500	0	183,500
11. Residential Geothermal Heat Pump	500	0	0	0	0	750	0	0	0	0	1,250	0	1,250
12. GoodCents Home/Energy Star	47,500	56,000	0	3,500	1,000	4,000	5,500	9,000	0	0	126,500	0	126,500
13. GoodCents Energy Survey Program	42,000	62,000	0	0	0	7,000	2,500	1,000	0	0	114,500	0	114,500
5.	0	0	0	0	0	0	0	0	0	0	0	0	0
15. GoodCents Commercial Building	18,000	13,750	0	0	0	0	0	0	0	0	31,750	0	31,750
16. GoodCents Commercial Tech. Assistance	21,000	10,000	0	200	0	0	600	0	0	0	31,800	0	31,800
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. GoodCents Heating and Cooling Upgrade	2,000	8,000	0	0	0	0	250	0	4,000	0	14,250	0	14,250
20. GoodCents Ceiling Insulation upgrade Program	700	6,000	0	0	0	0	250	0	0	0	6,950	0	6,950
21. GoodCents Commercial Indoor Lighting Rebate	0	10,000	0	0	0	0	0	0	0	0	10,000	0	10,000
22. Conservation Demonstration & Development	0	2,500	0	0	0	0	0	0	0	0	2,500	0	2,500
													0
													0
													0
													0
													0
													0
													0
31. TOTAL ALL PROGRAMS	249,200	171,250	1,250	6,200	23,000	17,750	9,350	41,000	4,000	0	523,000	0	523,000
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	249,200	171,250	1,250	6,200	23,000	17,750	9,350	41,000	4,000	0	523,000	0	523,000

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-2
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SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS January-07 THROUGH December-07

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 NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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PROGRAM NAME	ACTUAL FOR MONTHS	January-06	THROUGH	July-06								SUB	PROGRAM	TOTAL			
	ESTIMATED FOR MONTHS	August-06	THROUGH	December-06	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	TOTAL	REVENUES	TOTAL
10. Common																	
A. ACTUAL		49,143	623	513	1,420	9,942	3,032	0	13,020	0	0	0	0	77,693		77,693	
B. ESTIMATED		46,780	1,150	520	1,010	7,670	2,230	60	12,330	0	0	0	0	71,750		71,750	
C. TOTAL		95,923	1,773	1,033	2,430	17,612	5,262	60	25,350	0	0	0	0	149,443		149,443	
11. Residential Geothermal Heat Pump																	
A. ACTUAL		108	217	0	0	0	0	0	0	0	0	0	0	325		325	
B. ESTIMATED		120	0	0	0	0	330	0	0	0	0	0	0	450		450	
C. TOTAL		228	217	0	0	0	330	0	0	0	0	0	0	775		775	
12. GoodCents Home/Energy Star																	
A. ACTUAL		24,970	18,566	0	1,820	0	1,324	3,044	1,447	0	0	0	0	51,171		51,171	
B. ESTIMATED		18,740	22,270	0	1,350	350	1,620	2,100	3,570	0	0	0	0	50,000		50,000	
C. TOTAL		43,710	40,836	0	3,170	350	2,944	5,144	5,017	0	0	0	0	101,171		101,171	
13. GoodCents Energy Survey Program																	
A. ACTUAL		24,040	34,940	0	0	0	348	1,317	175	0	0	0	0	60,820		60,820	
B. ESTIMATED		16,450	24,590	0	0	0	2,800	1,010	400	0	0	0	0	45,250		45,250	
C. TOTAL		40,490	59,530	0	0	0	3,148	2,327	575	0	0	0	0	106,070		106,070	
14. 0																	
A. ACTUAL		0	0	0	0	0	0	0	(120)	0	0	0	0	(120)		(120)	
B. ESTIMATED		0	0	0	0	0	0	0	0	0	0	0	0	0		0	
C. TOTAL		0	0	0	0	0	0	0	(120)	0	0	0	0	(120)		(120)	
15. GoodCents Commercial Building																	
A. ACTUAL		5,425	4,607	0	0	0	40	0	0	0	0	0	0	10,072		10,072	
B. ESTIMATED		7,140	5,410	0	0	0	0	0	0	0	0	0	0	12,550		12,550	
C. TOTAL		12,565	10,017	0	0	0	40	0	0	0	0	0	0	22,622		22,622	
16. GoodCents Commercial Tech. Assistance																	
A. ACTUAL		8,117	18,799	0	4,058	0	6	0	0	0	0	0	0	30,980		30,980	
B. ESTIMATED		8,430	4,030	0	70	0	0	220	0	0	0	0	0	12,750		12,750	
C. TOTAL		16,547	22,829	0	4,128	0	6	220	0	0	0	0	0	43,730		43,730	
SUB-TOTAL ACTUAL		111,803	77,752	513	7,298	9,942	4,750	4,361	14,522	0	0	0	0	230,941		230,941	
SUB-TOTAL ESTIMATED		97,660	57,450	520	2,430	8,020	6,980	3,390	16,300	0	0	0	0	192,750		192,750	
LESS: PRIOR YEAR AUDIT ADJ.																	
ACTUAL			(12,061)				(2,981)	(2,194)	(238)					(17,474)		(17,474)	
ESTIMATED																	
TOTAL																	
NET PROGRAM COSTS																	

SEE PAGE 1A

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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PROGRAM NAME	ACTUAL FOR MONTHS	January-06	THROUGH	July-06									SUB	PROGRAM	TOTAL		
	ESTIMATED FOR MONTHS	August-06	THROUGH	December-06	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	TOTAL	REVENUES	TOTAL
17. Low Income																	
A. ACTUAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. Affordable Housing/Builders Program																	
A. ACTUAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19. GoodCents Heating and Cooling Upgrade																	
A. ACTUAL		2,100	11,537	0	0	0	0	0	0	141	0	3,850	0	17,628	0	17,628	
B. ESTIMATED		820	3,080	0	0	0	0	0	0	100	0	1,650	0	5,650	0	5,650	
C. TOTAL		2,920	14,617	0	0	0	0	0	0	241	0	5,500	0	23,278	0	23,278	
20. GoodCents Ceiling Insulation upgrade Program																	
A. ACTUAL		1,772	10,843	0	0	0	0	0	0	108	0	400	0	13,123	0	13,123	
B. ESTIMATED		180	2,660	0	0	0	0	0	0	60	0	0	0	2,900	0	2,900	
C. TOTAL		1,952	13,503	0	0	0	0	0	0	168	0	400	0	16,023	0	16,023	
21. GoodCents Commercial Indoor Lighting Rebate																	
A. ACTUAL		789	10,268	0	0	0	0	0	0	0	0	0	0	11,057	0	11,057	
B. ESTIMATED		0	4,000	0	0	0	0	0	0	0	0	0	0	4,000	0	4,000	
C. TOTAL		789	14,268	0	0	0	0	0	0	0	0	0	0	15,057	0	15,057	
22. Conservation Demonstration & Development																	
A. ACTUAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED		0	1,000	0	0	0	0	0	0	0	0	0	0	1,000	0	1,000	
C. TOTAL		0	1,000	0	0	0	0	0	0	0	0	0	0	1,000	0	1,000	
TOTAL ACTUAL		116,464	110,400	513	7,298	9,942	4,750	4,610	14,522	4,250	0	272,749	0	272,749	0	272,749	
TOTAL ESTIMATED		98,660	68,190	520	2,430	8,020	6,980	3,550	16,300	1,650	0	206,300	0	206,300	0	206,300	
LESS: PRIOR YEAR AUDIT ADJ.																	
ACTUAL			(12,061)				(2,981)	(2,194)	(238)			(17,474)		(17,474)		(17,474)	
ESTIMATED																	
TOTAL																	
NET PROGRAM COSTS		215,124	178,590	1,033	9,728	17,962	11,730	8,160	30,822	5,900	0	461,575	0	461,575	0	461,575	

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 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3
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ACTUAL FOR MONTHS January-06 THROUGH July-06
 ESTIMATED FOR MONTHS August-06 THROUGH December-06

	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 NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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ACTUAL FOR MONTHS January-06 THROUGH July-06
 ESTIMATED FOR MONTHS August-06 THROUGH December-06

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL							TOTAL	ESTIMATED					TOTAL	GRAND
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	ACTUAL	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
10 Common	11,100	10,535	14,418	9,700	12,897	11,487	7,556	77,693	14,350	14,350	14,350	14,350	14,350	71,750	149,443
11 Residential Geothermal Heat Pump	0	3,310	(3,112)	127	0	0	0	325	90	90	90	90	90	450	775
12 GoodCents Home/Energy Star	5,648	9,185	7,517	2,279	6,416	9,733	10,393	51,171	10,000	10,000	10,000	10,000	10,000	50,000	101,171
13 GoodCents Energy Survey Program	7,694	3,587	9,970	5,618	12,426	15,778	5,747	60,820	9,050	9,050	9,050	9,050	9,050	45,250	106,070
14 0	(10)	(20)	(20)	(20)	(10)	(20)	(20)	(120)	0	0	0	0	0	0	(120)
15 GoodCents Commercial Building	3,540	302	3,800	233	1,027	516	654	10,072	2,510	2,510	2,510	2,510	2,510	12,550	22,622
16 GoodCents Commercial Tech. Assistance	1,839	4,881	1,855	1,756	9,148	14,499	(2,998)	30,980	2,550	2,550	2,550	2,550	2,550	12,750	43,730
17 Low Income	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
19 GoodCents Heating and Cooling Upgrade	5,031	(1,667)	5,861	(697)	2,146	1,784	5,170	17,628	1,130	1,130	1,130	1,130	1,130	5,650	23,278
20 GoodCents Ceiling Insulation upgrade Program	4,767	(2,551)	5,327	(943)	1,572	1,025	3,926	13,123	580	580	580	580	580	2,900	16,023
21 GoodCents Commercial Indoor Lighting Rebat	4,685	(2,316)	4,522	(994)	1,486	95	3,579	11,057	800	800	800	800	800	4,000	15,057
22 Conservation Demonstration & Development	0	0	0	0	0	0	0	0	200	200	200	200	200	1,000	1,000
Prior period audit adj.						(17,474)		(17,474)							(17,474)
31. TOTAL ALL PROGRAMS	44,294	25,246	50,138	17,059	47,108	37,423	34,007	255,275	41,260	41,260	41,260	41,260	41,260	206,300	461,575
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	44,294	25,246	50,138	17,059	47,108	37,423	34,007	255,275	41,260	41,260	41,260	41,260	41,260	206,300	461,575

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
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	ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	January-06 August-06	THROUGH THROUGH	July-06 December-06													
					JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES																	
1. RCS AUDIT FEES																	
a.																	
b.																	
c.																	
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)		(31,750)	(32,411)	(29,635)	(27,695)	(30,436)	(33,739)	(40,128)	(35,086)	(34,613)	(31,186)	(27,873)	(25,674)	(380,226)			
3. TOTAL REVENUES		(31,750)	(32,411)	(29,635)	(27,695)	(30,436)	(33,739)	(40,128)	(35,086)	(34,613)	(31,186)	(27,873)	(25,674)	(380,226)			
4. PRIOR PERIOD TRUE-UP-ADJ NOT APPLICABLE TO PERIOD		(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,916)	(8,921)	(106,997)		
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		(40,666)	(41,327)	(38,551)	(36,611)	(39,352)	(42,655)	(49,044)	(44,002)	(43,529)	(40,102)	(36,789)	(34,595)	(487,223)			
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)		44,294	25,246	50,138	17,059	47,108	37,423	34,007	41,260	41,260	41,260	41,260	41,260	461,575			
7. TRUE-UP THIS PERIOD		3,628	(16,081)	11,587	(19,552)	7,756	(5,232)	(15,037)	(2,742)	(2,269)	1,158	4,471	6,665	(25,648)			
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)		(370)	(371)	(357)	(355)	(353)	(322)	(340)	(343)	(669)	(282)	(231)	(167)	(4,160)			
9. TRUE-UP & INTEREST PROVISION		(106,997)	(94,823)	(102,359)	(82,213)	(93,204)	(76,885)	(73,523)	(79,984)	(74,153)	(68,175)	(58,383)	(45,227)	(106,997)			
10. PRIOR TRUE-UP COLLECTED (REFUNDED)		8,916	8,916	8,916	8,916	8,916	8,916	8,916	8,916	8,916	8,916	8,916	8,916	106,997			
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		(94,823)	(102,359)	(82,213)	(93,204)	(76,885)	(73,523)	(79,984)	(74,153)	(68,175)	(58,383)	(45,227)	(29,808)	(29,808)			

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
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ACTUAL FOR MONTHS January-06 THROUGH July-06
 ESTIMATED FOR MONTHS August-06 THROUGH December-06

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	(106,997)	(94,823)	(102,359)	(82,213)	(93,204)	(76,885)	(73,523)	(79,984)	(74,153)	(68,175)	(58,383)	(45,227)	(29,808)
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	(94,453)	(101,988)	(81,856)	(92,849)	(76,532)	(73,201)	(79,644)	(73,810)	(67,506)	(58,101)	(44,996)	(29,641)	(25,648)
3. TOTAL BEG. AND ENDING TRUE-UP	(201,450)	(196,811)	(184,215)	(175,062)	(169,736)	(150,086)	(153,167)	(153,794)	(141,659)	(126,276)	(103,379)	(74,868)	(55,456)
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	(100,725)	(98,406)	(92,108)	(87,531)	(84,868)	(75,043)	(76,584)	(76,897)	(70,830)	(63,138)	(51,690)	(37,434)	(27,728)
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	4.30%	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%
7. TOTAL (LINE C-5 + C-6)	8.81%	9.04%	9.31%	9.74%	9.97%	10.30%	10.65%	10.72%	10.72%	10.72%	10.72%	10.72%	10.72%
8. AVG INTEREST RATE (C-7 X 50%)	4.41%	4.52%	4.66%	4.87%	4.99%	5.15%	5.33%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%
9. MONTHLY AVERAGE INTEREST RATE	0.367%	0.377%	0.388%	0.406%	0.415%	0.429%	0.444%	0.447%	0.447%	0.447%	0.447%	0.447%	0.447%
10. INTEREST PROVISION (LINE C-4 X C-9)	(370)	(371)	(357)	(355)	(353)	(322)	(340)	(343)	(669)	(282)	(231)	(167)	(4,160)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-06 THROUGH December-07

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2006 JANUARY	69,116	31,750	ACTUAL
FEBRUARY	70,566	32,411	ACTUAL
MARCH	64,524	29,635	ACTUAL
APRIL	60,307	27,695	ACTUAL
MAY	66,269	30,436	ACTUAL
JUNE	73,470	33,739	ACTUAL
JULY	87,362	40,128	ACTUAL
AUGUST	76,124	35,086	0.46091
SEPTEMBER	75,099	34,613	0.46090 *
OCTOBER	67,662	31,186	0.46091 *
NOVEMBER	60,475	27,873	0.46090 *
DECEMBER	58,068	25,674	0.44214 *
SUB-TOTAL	<u>829,042</u>	<u>380,226</u>	
2007 JANUARY	69,105	41,562	0.060143
FEBRUARY	74,411	44,753	0.060143
MARCH	63,279	38,058	0.060143
APRIL	59,759	35,941	0.060143
MAY	63,749	38,340	0.060143
JUNE	71,384	42,932	0.060143
JULY	76,249	45,858	0.060143
AUGUST	76,269	45,870	0.060143
SEPTEMBER	76,241	45,853	0.060143
OCTOBER	68,429	41,155	0.060143
NOVEMBER	61,379	36,915	0.060143
DECEMBER	59,782	35,955	0.060143
SUB-TOTAL	<u>820,036</u>	<u>493,192</u>	
TOTALS	<u>1,649,078</u>	<u>873,418</u>	

* Weighted average rates based on a consolidation of the separate rates for the two electric divisions.

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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
8. Residential Heating and Cooling Efficiency Upgrade Program
9. Residential Ceiling Insulation Upgrade Program
10. Commercial Indoor Efficient Lighting Rebate Program
11. Educational/Conservation Demonstration and Development Program

PROGRAM TITLE:

Residential Geothermal Heat Pump Program

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 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 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. According to the Department of Energy (DOE) geothermal technology is 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 PROJECTIONS:

For January 2007 through December 2007: At this time no participation goals have been set.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007, projected expenses are \$1,250.

PROGRAM SUMMARY:

Even though there is no particular goal for this program we continue our efforts to promote this technology and hope we will see a number of geothermal installations in the future. This program also receives the benefits from the advertising of the GoodCents Home/Energy Star Program, which promotes high efficient heating and cooling systems.

PROGRAM TITLE:

GoodCents Home/Energy Star Program

PROGRAM DESCRIPTION:

The GoodCents Home Program has long been the standard for energy efficient construction in North 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 the Program 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 PROJECTION:

For January 2007 through December 2007 the goal for the number of program participants is 60.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$126,500.

PROGRAM SUMMARY:

Through this program, participating customers will experience lower utility bills, increased comfort, and the eligibility to utilize energy efficient home mortgage products. We continue to see a positive participation in this program due to the continuous effort in educating and advertising the benefits of this program to our customers and builders. We will continue to build a good working relationship with our builders and customers to ensure the success of this program.

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 encourages 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 survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage. If a problem is identified recommendations will be made for further analysis and repairs. Blower-door testing is required to identify and quantify the duct leakage and will be performed by a contractor. After identifying the leakage sites and quantities, the customer is given a written summary of the test findings and the potential for savings, along with a list of approved repair contractors. 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 PROJECTIONS:

For January 2007 through December 2007 the goal for the number of program participants is 360.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$114,500.

PROGRAM SUMMARY:

This program provides participating customers with the information needed to determine which energy saving measures are best suited to their individual needs and requirements. We feel confident that by continuing to advertise the benefits of this program through bill inserts, promotional materials, newspaper, and cable TV we will continue to see a high participation level in this program.

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 GoodCents Building Program provides requirements for these areas that, if adhered to, will help reduce peak demand and energy consumption.

The promotion of the GoodCents Commercial 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 Commercial Building Program, the GoodCents standards for average commercial buildings 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.

PROGRAM PROJECTIONS:

For January 2007 through December 2007 the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$31,750.

PROGRAM SUMMARY:

The GoodCents Building Program is designed to ensure that buildings are constructed with energy efficiency levels above the Florida Model Energy Code standards. These standards include both HVAC efficiency and thermal envelope requirements. This program will continue to be successful as FPUC builds on its efforts in working with builders and architects.

PROGRAM TITLE:

GoodCents Commercial Technical Assistance Audit 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 Specialist of the customer's facility operation, equipment and energy usage pattern. The specialist identifies areas of potential reduction in kW demand and kWh consumption as well as identifying end-use technology opportunities. A technical evaluation is then performed to determine the economic payback or life cycle cost 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:

For January 2007 through December 2007 the goal for the number of program participants is 40.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$31,800.

PROGRAM SUMMARY:

In recent research of commercial/industrial customers, consistent response for areas of improvement from this class of customer include individualized attention and service in helping them improve their cost of operation and efficiency. We have built trusting relationships with many of these customers by offering education on new technologies and by offering expertise in energy conservation. The work we have done in this area will continue to benefit FPUC.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
PROGRAM DESCRIPTION AND SUMMARY

SCHEDULE C-5
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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 surveys, that FPUC currently offers.

PROGRAM PROJECTION:

For January 2007 through December 2007: There are no goals set for this program.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses for this period are \$-0-.

PROGRAM SUMMARY:

This program will benefit Florida Public Utilities Company by providing opportunities to educate low-income customers on the benefits of an energy efficient home.

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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 a minimum of two seminars and/or workshops per year. FPUC will work with all sponsors to reduce or eliminate attendances fees for affordable housing providers.

PROGRAM PROJECTION:

For January 2007 through December 2007: There is no goal for this program.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses for this period are \$-0-.

PROGRAM SUMMARY:

This program will provide FPUC the opportunity to educate contractors on the benefits of building a home to GoodCents standards as well as introduce new and innovative energy efficient building technology.

PROGRAM TITLE:

Residential Heating and Cooling Efficiency Upgrade Program

PROGRAM DESCRIPTION:

This program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's electricity service territories. The program will do this by increasing the saturation of high-efficiency heat pumps. Two types of rebates are offered, one is for replacing an existing resistance-heating system with a high efficiency heat pump and the second type is for replacing a lower-efficiency heat pump with a high-efficiency heat pump. FPUC will validate engineering analyses of energy and demand savings with billing data and by metering customer equipment.

PROGRAM PROJECTIONS:

For January 2007 through December 2007 the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$14,250.

PROGRAM SUMMARY:

This program provides an opportunity for FPUC customers' to install a more energy efficient heating and cooling system with the results being a decrease in energy consumption as well as a reduction in weather-sensitive peak demand for FPUC. We feel confident that by continuing to advertise the benefits of this program through our GoodCents Energy Survey Program, bill inserts, promotional materials, newspaper ads, and cable TV we will continue to see a high participation level.

PROGRAM TITLE:

Residential Ceiling Insulation Upgrade Program

PROGRAM DESCRIPTION:

The purpose of this program is to reduce peak demand and energy consumption by decreasing the load presented by residential air-conditioning and heating equipment. To serve this purpose, this program requires that residential customers add at least R-11 of ceiling insulation. Resulting total R-values achieved will range from R-30 to R-38. By doing so, they will qualify for an incentive of \$100 in the form of an Insulation Certificate that may be applied to the total cost of installing the added ceiling insulation.

PROGRAM PROJECTIONS:

For January 2007 through December 2007 the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$6,950.

PROGRAM SUMMARY:

Interested residential customers must request a free ceiling insulation inspection. FPUC will then dispatch an energy efficiency expert to perform that inspection and determine what changes should be made to enhance efficiency. The inspection will also determine the customer's eligibility of the incentive. This program will be promoted through the GoodCents Energy Survey Program as well as bill inserts, newspaper ads and cable TV. We feel confident that by continuing to advertise the benefits of this program we will see participation levels increase.

PROGRAM TITLE:

Commercial Indoor Efficient Lighting Rebate Program

PROGRAM DESCRIPTION:

The purpose of this program is to reduce peak demand and energy consumption by decreasing the load presented by commercial lighting equipment. To serve this purpose, this program requires that commercial customers achieve at least 1,000 watts of lighting reduction from any lighting source that has been retrofitted with a more efficient fluorescent lighting system (ballasts and lamps). By doing so, they will qualify for an incentive of 10 cents per watt reduced.

PROGRAM PROJECTION:

For January 2007 through December 2007 the goal for the number of program participants is 2.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses are \$10,000.

PROGRAM SUMMARY:

Interested customers or contractors must contact FPUC before starting a lighting retrofit project. The company will then dispatch a qualified lighting engineer to perform an inspection and determine what lighting changes should be made to enhance efficiency. The inspection will also determine the customer/contractor's eligibility for the incentive. This program will be promoted through the GoodCents Commercial Technical Assistance Audit Program, bill inserts, newspaper ads, and cable TV. We feel confident that by continuing advertising the benefits of this program we will see participation levels increase.

PROGRAM TITLE:

Conservation Demonstration and Development (CDD) Program

PROGRAM DESCRIPTION:

The primary purpose of the Conservation Demonstration and Development (CDD) Program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. This program will supplement and complement the other demand-side management programs offered by FPUC.

The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies. The CDD program does not focus on any specific end-use technology but, instead, will address a wide variety of energy applications.

PROGRAM PROJECTION:

For January 2007 through December 2007: There are no goals set for this program.

PROGRAM FISCAL EXPENDITURES:

For January 2007 through December 2007 the projected expenses for this period are \$2,500.

PROGRAM SUMMARY:

This program will enable FPUC to pursue research, development and demonstration projects designed to promote energy efficiency and conservation. CDD projects will enable the collection of actual data from field tests. Engineering estimates and modeling techniques can be tested and validated. Future cost-benefit analyses for the subject CDD projects will be more reliable, thereby enabling better assessments of the expected future peak demand and energy conservation potential.