

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1
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CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-06 THROUGH December-06

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-06 THROUGH December-06		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(345,823)</u>	
5.	INTEREST	<u>(13,469)</u>	<u>(359,292)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(113,943)</u>	
9.	INTEREST	<u>(12,450)</u>	<u>(126,393)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>(232,899)</u></u>

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DOCUMENT NUMBER-DATE

03719 MAY-25

FPSC-COMMISSION CLERK

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

FOR MONTHS		January-06	THROUGH	December-06	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	273,136		382,531	(109,395)
2.	Advertisement	764,404		748,249	16,155
3.	Legal	3,639		3,639	
4.	Outside Services	34,949		58,130	(23,181)
5.	Vehicle	18,681		17,753	928
6.	Materials & Supplies	23,534		45,322	(21,788)
7.	Travel	8,971		12,823	(3,852)
8.	General & Administrative	37,973		40,476	(2,503)
9.	Incentives	850,176		1,130,752	(280,576)
10.	Other	17,241		5,283	11,958
11.	SUB-TOTAL	2,032,704		2,444,958	(412,254)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	2,032,704		2,444,958	(412,254)
14.	LESS: PRIOR PERIOD TRUE-UP	36,383		36,383	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(2,414,910)		(2,595,284)	180,374
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(345,823)		(113,943)	(231,880)
19.	ADD INTEREST PROVISION	(13,469)		(12,450)	(1,019)
20.	END OF PERIOD TRUE-UP	(359,292)		(126,393)	(232,899)

() REFLECTS OVERRECOVERY

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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-06 THROUGH December-06

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction Program	41,449	52,896		14,877		1,380	2,609	11,763	483,381	600	608,955		608,955
2. Residential Appliance Replacement Program	16,242	254,635				7		41	112,125	725	383,775		383,775
3. Conservation Education Program	5,721	5,510					905	3,072		150	15,358		15,358
4. Space Conditioning Program	3,004	1,811		(143)			175				4,847		4,847
5. Residential Conservation Service Program	4,044	30,865		1,725		469	2,204	743		1,439	41,489		41,489
6. Residential Appliance Retention Program	25,516	256,322		2,247					254,670		538,755		538,755
7. Dealer / Contractor	3,010	600						41			3,651		3,651
10. Commercial Conservation Service Program	17,707	4,763		3,136	4,135	140	507	149			30,537		30,537
12													
13. Residential Service Reractivation Program	435	951						42			1,428		1,428
14. Common	156,008	156,051	3,639	13,107	14,546	21,538	2,571	22,122		14,327	403,909		403,909
TOTAL ALL PROGRAMS	273,136	764,404	3,639	34,949	18,681	23,534	8,971	37,973	850,176	17,241	2,032,704		2,032,704

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

FOR MONTHS January-06 THROUGH December-06

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction Program	(2,834)	(8,162)		(9,088)		(3,026)	272	(1,869)	(228,049)	(1,500)	(254,256)		(254,256)
2. Residential Appliance Replacement Program	(23)	136,444						(459)	(2,975)	725	133,712		133,712
3. Conservation Education Program	(17,330)	(73,376)				(5,000)	(1,652)	(1,172)			(98,530)		(98,530)
4. Space Conditioning Program	(2,485)	(1,000)		(1,000)			(3,825)				(8,310)		(8,310)
5. Residential Conservation Service Program	(4,646)	(44,174)		725		(5,982)	(133)	532		1,439	(52,239)		(52,239)
6. Residential Appliance Retention Program	(8,676)	59,748		2,247					(49,552)		3,767		3,767
7. Dealer / Contractor	(13,865)	(10,000)		(25,000)		(10,000)		41			(58,824)		(58,824)
10. Commercial Conservation Service Program	(12,981)	2		1,344	4,135	140	173				(7,187)		(7,187)
12													
13. Residential Service Reactivation Program	39	(480)						42			(399)		(399)
14. Common	(46,594)	(42,847)		7,591	(3,207)	2,080	1,313	382		11,294	(69,988)		(69,988)
TOTAL ALL PROGRAMS	(109,395)	16,155		(23,181)	928	(21,788)	(3,852)	(2,503)	(280,576)	11,958	(412,254)		(412,254)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

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

FOR MONTHS January-06 THROUGH December-06

A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction Program	78,772	71,965	91,842	20,797	39,175	65,924	32,233	60,324	77,338	18,554	24,966	27,065	608,955
2.	Residential Appliance Replacement Program	14,413	28,006	19,366	29,639	7,766	55,062	28,312	35,620	64,064	52,447	26,244	22,836	383,775
3.	Conservation Education Program	1,364	(192)	1,156	536	1,967	3,016	1,042	1,632	2,071	364	1,783	620	15,359
4.	Space Conditioning Program	(29)	200	157	256	796	1,544	232	220	364	214	462	431	4,847
5.	Residential Conservation Service Program	1,589	18,158	1,429	8,448	(598)	40,199	9,002	(42,990)	6,081	793	(1,557)	935	41,489
6.	Residential Appliance Retention Program	25,477	42,146	31,834	47,533	19,385	63,161	37,949	31,305	72,578	81,839	46,954	38,593	538,754
7.	Dealer / Contractor	122	1,356	155	400	(861)	852	450	67	160	186	366	398	3,651
10.	Commercial Conservation Service Program	1,708	1,327	2,453	3,716	2,818	4,185	1,514	2,128	905	3,533	1,099	5,151	30,537
12.														
13.	Residential Service Reactivation Program				345	586	324	92	(4)	85				1,428
14.	Common	33,040	31,494	40,949	31,763	37,188	28,966	28,985	43,356	25,449	31,685	32,172	38,862	403,909
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	156,456	194,460	189,341	143,433	108,222	263,233	139,811	131,658	249,095	189,615	132,489	134,891	2,032,704
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	156,456	194,460	189,341	143,433	108,222	263,233	139,811	131,658	249,095	189,615	132,489	134,891	2,032,704

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SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

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FOR MONTHS January-06 THROUGH December-06

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(293,587)	(285,533)	(256,529)	(224,919)	(182,624)	(159,988)	(150,436)	(142,312)	(147,035)	(152,126)	(187,616)	(232,205)	(2,414,910)
3. TOTAL REVENUES	(293,587)	(285,533)	(256,529)	(224,919)	(182,624)	(159,988)	(150,436)	(142,312)	(147,035)	(152,126)	(187,616)	(232,205)	(2,414,910)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	3,031	3,032	3,032	3,032	3,032	3,032	3,032	3,032	3,032	3,032	3,032	3,032	36,383
5. CONSERVATION REVENUE APPLICABLE	(290,556)	(282,501)	(253,497)	(221,887)	(179,592)	(156,956)	(147,404)	(139,280)	(144,003)	(149,094)	(184,584)	(229,173)	(2,378,527)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	156,456	194,460	189,341	143,433	108,222	263,233	139,811	131,658	249,095	189,615	132,489	134,891	2,032,704
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(134,100)	(88,041)	(64,156)	(78,454)	(71,370)	106,277	(7,593)	(7,622)	105,092	40,521	(52,095)	(94,282)	(345,823)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(118)	(551)	(877)	(1,223)	(1,581)	(1,578)	(1,433)	(1,484)	(1,276)	(975)	(1,017)	(1,356)	(13,469)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	36,383	(100,866)	(192,490)	(260,555)	(343,264)	(419,247)	(317,580)	(329,638)	(341,776)	(240,992)	(204,478)	(260,622)	36,383
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(3,031)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(3,032)	(36,383)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(100,866)	(192,490)	(260,555)	(343,264)	(419,247)	(317,580)	(329,638)	(341,776)	(240,992)	(204,478)	(260,622)	(359,292)	(359,292)

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 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS January-06 THROUGH December-06

SCHEDULE CT-3
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C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	36,383	(100,866)	(192,490)	(260,555)	(343,264)	(419,247)	(317,580)	(329,638)	(341,776)	(240,992)	(204,478)	(260,622)	36,383
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(100,748)	(191,939)	(259,678)	(342,041)	(417,666)	(316,002)	(328,205)	(340,292)	(239,716)	(203,503)	(259,605)	(357,936)	(345,823)
3. TOTAL BEG. AND ENDING TRUE-UP	(64,365)	(292,805)	(452,168)	(602,596)	(760,930)	(735,249)	(645,785)	(669,930)	(581,492)	(444,495)	(464,083)	(618,558)	(309,440)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(32,183)	(146,403)	(226,084)	(301,298)	(380,465)	(367,625)	(322,893)	(334,965)	(290,746)	(222,248)	(232,042)	(309,279)	(154,720)
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%	5.27%	5.26%	5.27%	5.25%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.51%	4.53%	4.78%	4.96%	5.01%	5.29%	5.36%	5.27%	5.26%	5.27%	5.25%	5.27%	
7. TOTAL (LINE C-5 + C-6)	8.81%	9.04%	9.31%	9.74%	9.97%	10.30%	10.65%	10.63%	10.53%	10.53%	10.52%	10.52%	
8. AVG. INTEREST RATE (C-7 X 50%)	4.41%	4.52%	4.66%	4.87%	4.99%	5.15%	5.33%	5.32%	5.27%	5.27%	5.26%	5.26%	
9. MONTHLY AVERAGE INTEREST RATE	0.367%	0.377%	0.388%	0.406%	0.415%	0.429%	0.444%	0.443%	0.439%	0.439%	0.438%	0.438%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(118)	(551)	(877)	(1,223)	(1,581)	(1,578)	(1,433)	(1,484)	(1,276)	(975)	(1,017)	(1,356)	(13,469)

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SCHEDULE CT-4
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SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-06 THROUGH December-06

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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SCHEDULE CT-5
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RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-06 THROUGH December-06

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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1. Full House Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Service Program
6. Commercial Conservation Service Program
7. Conservation Education Program
8. Space Conditioning Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

PROGRAM ACCOMPLISHMENTS: For the reporting period 1617 incentives were paid. There we 3 heating (furnace or hydro heat), 600 water heaters, 532 dryers, and 482 ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$608,955.

PROGRAM TITLE: Residential Appliance Replacement Program

PROGRAM DESCRIPTION: This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances

PROGRAM ACCOMPLISHMENTS: For the reporting period a total of 399 incentives were paid. There were 27 heating (furnace or hydro heat), 27 tankless water heater, 206 storage tank style water heaters, 59 dryers, and 80 ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$383,775.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception FPUC has provided 1,922 appliance replacement incentives for connecting approved natural gas appliances to its system.

PROGRAM TITLE: Residential Appliance Retention Program

PROGRAM DESCRIPTION: The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program was expanded during the reporting period to include additional appliances to include furnaces, tankless hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchase the more expensive energy-efficient natural gas appliances.

PROGRAM ACCOMPLISHMENTS: For the reporting period 812 incentives were paid. There we 10 heating (furnace or hydro heat), 17 tankless water heater, 710 storage tank style water heaters, 25 dryers, and 50 ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$538,775.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception FPUC has retained 4892 natural gas hot water heaters.

PROGRAM TITLE: Residential Service Reactivation Program

PROGRAM DESCRIPTION: This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives in the form of cash incentives to residential customers to assist in defraying the additional cost associated with the purchase and installation energy-efficient natural gas appliances.

PROGRAM ACCOMPLISHMENTS: For the reporting period 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$1,428.

PROGRAM PROGRESS SUMMARY: FPSC approval of this program occurred on August 29th, 2000. From the inception of this program through the reporting period, FPUC has not reactivated any services with water heaters as a result of this program.

PROGRAM TITLE: Residential Conservation Service Program

PROGRAM DESCRIPTION: The objective of the Residential Conservation Service Program is to provide Florida Public Utilities Company's residential customers with energy conservation advice based on review of their homes actual performance that encourages the implementation of efficiency measures and/or practices resulting in energy savings for the customer. Florida Public Utilities Company views this program as a way of promoting the installation of cost-effective conservation measures. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage.

PROGRAM ACCOMPLISHMENTS: This year a total of 27 surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$41,489.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through December 2006, 49 residential customers have participated.

PROGRAM TITLE: Commercial Conservation Service Program

PROGRAM DESCRIPTION: The Commercial Conservation Service Program is an interactive program that assists commercial customers in identifying energy conservation opportunities. The survey process consists of an on-site review of the customer's facility operation, equipment, and energy usage pattern by a Florida Public Utilities Company Conservation Representative. The representative identifies all areas of potential energy usage reduction 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. Florida Public Utilities Company will subcontract the evaluation process to an independent engineering firm and/or contracting consultant, if necessary.

PROGRAM ACCOMPLISHMENTS: This year a total of 25 surveys were complete during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$30,537.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1st 2000. From the inception of this program through December 31st, 2006 136 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

PROGRAM DESCRIPTION: The purpose of the Conservation Education Program is to educate consumers, businesses, and contractors to make wise energy choices. For consumers to make educated choices they must know the benefits of conserving energy and have a basic understanding of energy as well as the measures and behavioral practices needed to make these choices.

PROGRAM ACCOMPLISHMENTS: This year FPU conducted seminars reaching 135 customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$15,358.

PROGRAM PROGRESS SUMMARY: This program has been successful and we are optimistic that our commercial customers will continue to involve us to an even greater extent in the future on upcoming commercial construction projects.

PROGRAM TITLE: Space Conditioning Program

PROGRAM DESCRIPTION: The program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides a financial incentive to qualified participants to compensate for the higher initial cost of natural gas space conditioning equipment. The program reduces summer as well as winter peak demand and contributes to consumption reduction.

PROGRAM ACCOMPLISHMENTS: There were no participants in this program in 2006.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2006 through December 31 2006 were \$4,847.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31st 2006 FPUC has connected 10 space conditioning projects to its natural gas system.