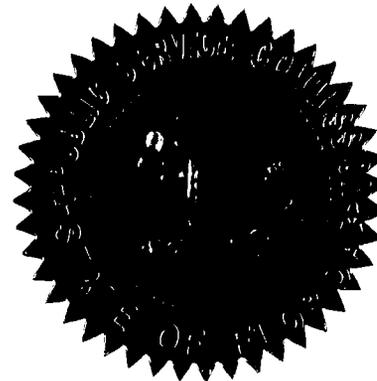


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070004-GU

In the Matter of

NATURAL GAS CONSERVATION  
COST RECOVERY.



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PROCEEDINGS: HEARING

BEFORE: CHAIRMAN LISA POLAK EDGAR  
COMMISSIONER MATTHEW M. CARTER, II  
COMMISSIONER KATRINA J. McMURRIAN  
COMMISSIONER NANCY ARGENZIANO  
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, November 6, 2007

TIME: Commenced at 9:52 a.m.  
Concluded at 9:54 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

DOCUMENT NUMBER-DATE

1 APPEARANCES:

2                   BETH KEATING, ESQUIRE, Akerman Senterfitt Law Firm,  
3 106 East College Avenue, Suite 1200, Tallahassee, Florida  
4 32301, appearing on behalf of Chesapeake Utilities Corporation  
5 and Florida City Gas.

6                   NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello &  
7 Self, P.A., Post Office Box 15579, Tallahassee, Florida 32317,  
8 appearing on behalf of Florida Public Utilities Company,  
9 Indiantown Gas Company and Sebring Gas System, Inc.

10                   KATHERINE FLEMING, ESQUIRE, FPSC General Counsel's  
11 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
12 32399-0850, appearing on behalf of the Florida Public Service  
13 Commission Staff.

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## I N D E X

## WITNESSES

NAME :	PAGE NO.
BRIAN S. BILINSKI	
Prefiled Direct Testimony Inserted	6
RAMIRO SICRE	
Prefiled Direct Testimony Inserted	12
CAROLYN BERMUDEZ	
Prefiled Direct Testimony Inserted	14
MARC S. SEAGRAVE	
Prefiled Direct Testimony Inserted	17
JEFF HOUSEHOLDER	
Prefiled Direct Testimony (Indiantown) Inserted	25
KANDI M. FLOYD	
Prefiled Direct Testimony Inserted	31
DEBBIE STITT	
Prefiled Direct Testimony Inserted	36
JEFF HOUSEHOLDER	
Prefiled Direct Testimony (Sebring ) Inserted	40
CERTIFICATE OF REPORTER	47

## EXHIBITS

NUMBER:		ID.	ADMTD.
1	Comprehensive Stipulated Exhibit List	5	5
2	BSB-1	5	5
3	BSB-2	5	5
4	RS-1	5	5
5	CB-1	5	5
6	MSS-1	5	5
7	MSS-2	5	5
8	KMF-1	5	5
9	KMF-2	5	5
10	DKS-1	5	5
11	DKS-2	5	5

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## P R O C E E D I N G

\* \* \* \* \*

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2  
3 CHAIRMAN EDGAR: And we will move on to open the  
4 04 docket. And I note again for the record that St. Joe  
5 Natural Gas and People's Gas have been excused from this  
6 hearing. Similarly, there are proposed stipulations on all  
7 issues and all witnesses have been excused, and I look to our  
8 staff.

9 MS. FLEMING: With that, staff will recommend that  
10 the prefiled testimony identified on Page 4 of all witnesses be  
11 moved into the record as though read.

12 CHAIRMAN EDGAR: Seeing no objection, the prefiled  
13 testimony for all witnesses in the 04 docket will be moved into  
14 the record as though read.

15 MS. FLEMING: And staff would mark and identify for  
16 the record Exhibit 1, which is the Comprehensive Exhibit List,  
17 for this docket, and ask that Exhibits 1 through 11, which  
18 include the Comprehensive Exhibit List, and all prefiled  
19 testimony be moved into the record.

20 CHAIRMAN EDGAR: The Comprehensive Exhibit List will  
21 be marked as Exhibit 1, that list and all other exhibits,  
22 2 through 11, will be moved into the record.

23 (Exhibits 1 through 11 marked for identification and  
24 admitted into the record.)

25

## 1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                   In Re: Conservation Cost Recovery Clause

3                   DIRECT TESTIMONY OF BRIAN S. BILINSKI

4                   On Behalf of5                   Chesapeake Utilities Corporation

6                   DOCKET NO. 070004-GU

7    Q.    Please state your name, business address, by whom you are employed, and in  
8           what capacity.9    A.    My name is Brian S. Bilinski. My business address is 1015 6<sup>th</sup> Street N.W.,  
10           Winter Haven, Florida, 33881. I am employed by Chesapeake Utilities  
11           Corporation ("Chesapeake") as the Senior Financial Analyst.12   Q.    Are you familiar with the energy conservation programs of Chesapeake and  
13           the revenues and costs that are associated with these programs?

14   A.    Yes.

15   Q.    What is the purpose of your testimony in this docket?

16   A.    The purpose of my testimony is to present data and summaries concerning the  
17           planned and actual accomplishments of Chesapeake's energy conservation  
18           programs during the period January 2006 through December 2006. Data  
19           related to calculation of the true-up for this period is also included.20   Q.    Have you prepared summaries of Chesapeake's conservation programs and  
21           the costs associated with them?22   A.    Yes. Summaries of the seven programs in connection with which Chesapeake  
23           incurred recoverable costs during the period January 2006 through December

1 2006 are contained in Schedule CT-6 of Exhibit BSB-1. Included are our  
2 Residential Home Builder Program, Residential Appliance Replacement  
3 Program, Residential Propane Distribution Program, Residential Water Heater  
4 Retention Program, Natural Gas Space Conditioning for Residential Homes  
5 Program, Gas Space Conditioning Program, and the Conservation Education  
6 Program.

7 Q. Have you prepared schedules which show the expenditures associated with  
8 Chesapeake's energy conservation programs for the periods you have  
9 mentioned?

10 A. Yes. Schedule CT-2 page 1, Exhibit BSB-1 shows actual expenses  
11 for the period, and also shows a comparison of the actual program costs and  
12 true-up with the estimated costs and true-up submitted at the November 2006  
13 hearing in this docket.

14 Q. What was the total cost incurred by Chesapeake in connection with the seven  
15 programs during the twelve months ending December 2006?

16 A. As shown in Exhibit BSB-1, Schedule CT-2, page 2, total program costs were  
17 \$967,263. This total is \$(11,290) less than our projection of the program costs  
18 for the twelve month period.

19 Q. Have you prepared, for the twelve month period involved, a schedule which  
20 shows the variance of actual from projected costs by categories of expenses.

21 A. Yes. Schedule CT-2, page 3, of Exhibit BSB-1 shows these variances.

22 Q. What is Chesapeake's adjusted net true-up for the twelve months ended  
23 December 2006?

- 1 A. As shown on Schedule CT-2, page 1, we originally estimated an under-  
2 recovery, including interest, of \$6,148. This projected true-up amount was  
3 based on conservation revenues of \$976,869 for the period January 2006  
4 through December 2006. However, the approved energy conservation rates  
5 for transportation services during this period actually yielded conservation  
6 revenues of \$982,293, or \$5,424 over projection. Expenses for the period  
7 were \$(11,290) less than projected. The total difference, including interest of  
8 \$432, is \$(17,147).
- 9 Q. Is this adjusted net true-up of \$(17,147) an over-recovery or an under-  
10 recovery?
- 11 A. An over-recovery, as shown on Schedule CT-1 of Exhibit BSB-1.
- 12 Q. Does this conclude your testimony?
- 13 A. Yes, it does.

## 1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Natural Gas Conservation Cost Recovery

3 DIRECT TESTIMONY OF BRIAN S. BILINSKI

4 On behalf of5 The Florida Division of Chesapeake Utilities Corporation6 DOCKET NO. 070004-GU

7 Q. Please state your name, occupation, and business address.

8 A. My name is Brian S. Bilinski. I am the Senior Financial Analyst of the Florida Division of  
9 Chesapeake Utilities Corporation. My business address is 1015 6th Street, N. W., Winter  
10 Haven, Florida 33881.

11 Q. Describe briefly your educational background and relevant professional background.

12 A. I have a Bachelor's of Science degree in Accounting from St. Peter's College in Jersey City,  
13 New Jersey and a Master's in Business Administration from Stetson University in Deland,  
14 Florida. I have been employed in the water and wastewater industry in Florida for over twenty  
15 years. I was first employed by the Florida Division of Chesapeake Utilities Corporation in June  
16 2002 as the Accounting and Rates Manager.17 Q. Are you familiar with the energy conservation programs of the Company and costs which have  
18 been, and are projected to be, incurred in their implementation?

19 A. Yes.

20 Q. What is the purpose of your testimony in this docket?

21 A. To describe generally the expenditures made and projected to be made in implementing,  
22 promoting, and operating the Company's energy conservation programs. This will include  
23 recoverable costs incurred in January through August 2007 and projections of program costs to  
24 be incurred from September through December 2007. It will also include projected  
25 conservation costs for the period January 2008 through December 2008, with a calculation of

1 the conservation adjustment factors to be applied to the customers' bills during the collection  
2 period of January 1, 2008 through December 31, 2008.

3 Q. Have you prepared summaries of the Company's conservation programs and the costs  
4 associated with these programs?

5 A. Yes. Summaries of the seven programs are contained in Schedule C-4 of Exhibit BSB-2.  
6 Included are the Residential New Construction Program, the Residential Appliance  
7 Replacement Program, the Residential Propane Distribution Program, the Residential Appliance  
8 Retention Program, the Natural Gas Space Conditioning for Residential Homes Program, the  
9 Gas Space Conditioning Program, and the Conservation Education Program.

10 Q. Have you prepared schedules that show the expenditures associated with the Company's energy  
11 conservation programs for the periods you have mentioned?

12 A. Yes, Schedule C-3, Exhibit BSB-2 shows actual expenses for the months January through  
13 August 2007. Projections for September through December 2007 are also shown on Schedule  
14 C-3. Projected expenses for the January 2008 through December 2008 period are shown on  
15 Schedule C-2 of Exhibit BSB-2.

16 Q. Have you prepared schedules that show revenues for the period January 2007 through  
17 December 2007?

18 A. Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January through August  
19 2007. Projections for September through December 2007 are also shown on Schedule C-3  
20 (Page 4 of 5).

21 Q. Have you prepared a schedule that shows the calculation of the Company's proposed  
22 conservation adjustment factors to be applied during billing periods from January 1, 2008  
23 through December 31, 2008?

24 A. Yes. Schedule C-1 of Exhibit BSB-2 shows this calculation. Net program cost estimates for the  
25 period January 1, 2008 through December 31, 2008 are used. The estimated true-up amount

1 from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit BSB-2, being an overrecovery, was added  
2 to the total of the projected costs for the twelve-month period. The total amount was then  
3 divided among the Company's rate classes, excluding customers who are on market-based rates,  
4 based on total projected contribution. The results were then divided by the projected gas  
5 throughput for each rate class for the twelve-month period ending December 31, 2008. The  
6 resulting factors are shown on Schedule C-1 (page 1 of 2) of Exhibit BSB-2.

7 Q. Didn't the Company also receive Commission approval to implement fixed per bill conservation  
8 adjustment factors for certain rate classes on an experimental basis?

9 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B, FTS-1, FTS-2,  
10 and FTS-3. A similar calculation as the per therm rate was made, however the projected  
11 number of bills for each rate class for the twelve-month period ending December 31, 2008 was  
12 utilized. The resulting experimental per bill factors are shown on Schedule C-1 (page 2 of 2) of  
13 Exhibit BSB-2.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                 DIRECT TESTIMONY OF RAMIRO SICRE

3   ON BEHALF OF

4   FLORIDA CITY GAS

5   DOCKET NO. 070004-GU

6   MAY 2, 2007

7  
8           **Q.     Please state your name, business address, by whom you are**  
9                         **employed, and in what capacity.**

10  
11           A.     My name is Ramiro Sicre and my business address is 955 East 25th  
12                         Street, Hialeah, Florida 33013-3498. I am employed by Florida City Gas as  
13                         Manager of Market Development.

14  
15           **Q.     Are you familiar with the energy conservation programs of Florida**  
16                         **City Gas?**

17  
18           A.     Yes, I am.

19  
20           **Q.     Are you familiar with the costs that have been incurred and that are**  
21                         **projected to be incurred by Florida City Gas in implementing its**  
22                         **energy conservation programs?**

23  
24           A.     Yes, I am.

25

1           **Q.     What is the purpose of your testimony in this docket?**

2           A.     To submit the recoverable costs incurred during the months January 2006  
3                 through December 2006, and to identify the final true-up amount related to  
4                 that period.

5

6           **Q.     Has Florida City Gas prepared schedules which show the**  
7                 **expenditures associated with its energy conservation programs for**  
8                 **the period you have mentioned?**

9

10          A.     Yes. I have prepared and filed together with this testimony Exhibit RS-1  
11                 consisting of Schedules CT-1, CT-2 and CT-3.

12

13          **Q.     What amount did Florida City Gas spend on conservation programs**  
14                 **during this period?**

15

16          A.     \$2,176,960.

17

18          **Q.     What is the final true-up amount associated with the period**  
19                 **ending December 31, 2005?**

20

21          A.     An over-recovery of \$175,101.

22

23          **Q.     Does this conclude your testimony?**

24

25          A.     Yes, it does.

## 1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

## 2 DIRECT TESTIMONY OF CAROLYN BERMUDEZ

3 ON BEHALF OF

4 FLORIDA CITY GAS

5 DOCKET NO. 070004-GU

6 September 13, 2007

7

8 **Q. Please state your name, business address, by whom you are employed, and in what**  
9 **capacity.**

10

11 A. My name is Carolyn Bermudez and my business address is 955 East 25th Street, Hialeah,  
12 Florida 33013-3498. I am employed by Florida City Gas as Manager of Business  
13 Operations.

14

15 **Q. Are you familiar with the energy conservation programs of Florida City Gas?**

16

17 A. Yes, I am.

18

19 **Q. Are you familiar with the costs that have been incurred and are projected to be**  
20 **incurred by Florida City Gas in implementing its energy conservation programs?**

21

22 A. Yes, I am.

23

24

25

1 **Q. What is the purpose of your testimony in this docket?**

2

3 A. To submit the conservation cost recovery true-up for the final true-up period January 1,  
4 2006 through December 31, 2006, and for the actual and estimated period of January 1,  
5 2007, through December 31, 2007. I will also present the total level of costs Florida City  
6 Gas seeks to recover through its conservation factors during the period January 1, 2008  
7 through December 31, 2008, as well as the conservation factors which, when applied to  
8 our customer's bills during the period January 1, 2008 through December 31, 2008, will  
9 permit recovery of total ECCR costs.

10

11 **Q. What is the Company's estimated true-up for the period January 1, 2007 through**  
12 **December 31, 2007?**

13

14 A. An over-recovery of \$704,942. This amount is calculated on page 4 of Schedule C-3 and  
15 takes into account the final audited true-up for the year ended December 31, 2006, which  
16 was an over-recovery of \$1,003,789, including interest.

17

18 **Q. What is the total cost Florida City Gas seeks to recover during the period January 1,**  
19 **2008 through December 31, 2008?**

20 A. \$1,531,955. This represents the projected costs of \$2,236,897 to be incurred during 2008,  
21 plus the estimated true-up of \$(704,942) for calendar year 2007.

22

23

24

25

1 **Q. What conservation factors does Florida City Gas need to permit recovery of these**  
2 **costs?**

3

4	A.	GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.04378
5		GS-600 (Sales & Transportation)	\$0.02347
6		GS-1200 (Sales & Transportation)	\$0.01521
7		GS-6k (Sales & Transportation)	\$0.01213
8		GS-25000 (Sales & Transportation)	\$0.01187
9		GS-60000 (Sales & Transportation)	\$0.01158
10		Gas Lights	\$0.02336
11		GS-120000 (Sales & Transportation)	\$0.00846
12		GS-250000 (Sales & Transportation)	\$0.00793

13

14 **Q. Has Florida City Gas prepared schedules to support its requested Conservation**  
15 **Cost Recovery Factor?**

16

17 A. Yes. I have prepared and filed together with this testimony Schedules C-1 through C-3 as  
18 prescribed by Commission Staff, as well as Schedule C-5.

19

20 **Q. Does this conclude your testimony?**

21

22 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070004-GU  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of  
MARC S. SEAGRAVE

On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Marc S. Seagrave: my business address is 401 S. Dixie Highway,  
3 West Palm Beach, Florida 33401.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Director of  
6 Marketing and Sales.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under recovery of the  
9 Conservation costs for the period January 1, 2006 through  
10 December 31, 2006 as compared to the amount previously reported  
11 for that period which was based on seven months actual and five  
12 months estimated data.
- 13 Q. Please state the actual amount of over/under recovery of  
14 Conservation Program costs for the gas divisions of Florida  
15 Public Utilities Company for January 1, 2006 through December 31,  
16 2006.

1 A. The Company over-recovered \$359,292 during that period. This  
2 amount is substantiated on Schedule CT-3, page 2 of 3,  
3 Calculation of True-up and Interest Provision.

4 Q. How does this amount compare with the estimated true-up amount  
5 which was allowed by the Commission?

6 A. We had estimated that we would over-recover \$126,393 as of  
7 December 31, 2006.

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

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

11 Q. Does this conclude your testimony?

12 A. Yes.

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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070004-GU  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of  
MARC S. SEAGRAVE  
On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION

- 12 Q. Please state your name and business address.
- 13 A. Marc S. Seagrave. My business address is P.O. Box  
14 3395, West Palm Beach, Florida 33402-3395.
- 15 Q. By whom are you employed and in what capacity?
- 16 A. I am employed by Florida Public Utilities Company as  
17 Director of Marketing and Sales.
- 18 Q. What is the purpose of your testimony at this time?
- 19 A. To advise the Commission as to the Conservation Cost  
20 Recovery Clause Calculation for the period January  
21 2008 through December 2008 and to clarify the use of  
22 "Good Cents" branding to support Florida Public  
23 Utilities conservation programs.
- 24 Q. What are the total projected costs for the period  
25 January 2008 through December 2008 in the  
26 Consolidated Natural Gas Division?
- 27 A. The total projected Conservation Program Costs are  
28 \$2,600,000. Please see Schedule C-2, page 2, for  
29 the programmatic and functional breakdown of these  
30 total costs.
- 31 Q. What is the true-up for the period January 2007

1 through December 2007?

2 A. As reflected in the Schedule C-3, Page 4 of 5, the  
3 True-up amount for the Consolidated Natural Gas  
4 Division is an over-recovery of \$524,296.

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

8 A. The total costs to be recovered are \$2,075,704.

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

11 A. The Conservation Adjustment Factors per them for  
12 the Consolidated Natural Gas Division are:

13	Residential	\$ .07231
14	General Service and	
15	GS Transportation	\$ .03160
16	Large Volume Service and	
17	LV Transportation <50,000	\$ .02190
18	Large Volume Transportation	
19	Service >50,000	\$ .02190

20 Q. Are there any exhibits that you wish to sponsor in  
21 this proceeding?

22 A. Yes. I wish to sponsor as Exhibits Schedules C1,  
23 C-2, C-3, and C-5 (Composite Prehearing  
24 Identification Number MSS-2), which have been filed  
25 with this testimony.

26

1 Q. How does Florida Public Utilities plan to promote  
2 the Commission approved conservation programs to  
3 customers?

4 A. These programs will be promoted through the  
5 implementation of the company's "Good Cents"  
6 branding.

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

8 A. "Good Cents" is a nationally recognized, licensed  
9 energy conservation branding program. This program  
10 is fuel neutral by design and has been successfully  
11 utilized by approximately 300 electric and natural  
12 gas utilities located across 38 states from Maine,  
13 to Florida to California and Washington. In the  
14 winter of 2000, Florida Public Utilities expanded  
15 its 20 year old branding license arrangement to  
16 include the Commission approved natural gas  
17 conservation programs.

18 Q. How does Florida Public Utilities utilize this  
19 branding?

20 A. The Company uses the "Good Cents" branding to create  
21 an awareness of its energy conservation and fuel  
22 neutral programs among consumers, businesses,  
23 builders and developers. Florida Public Utilities  
24 will leverage the high visibility brand, well  
25 established national image of quality, value and  
26

1 savings, established public awareness (nearly 30%  
2 national average) and proven promotional lift  
3 (average 11%) to build participation in our  
4 residential and commercial energy conservation  
5 programs. We will apply the branding strategy to  
6 promotional activities via broadcast and print  
7 media, educational events and collateral  
8 materials. Through this branding, end users and  
9 specifiers can readily identify where to obtain  
10 energy expertise to assist them with their energy  
11 decisions.

12 Q. Does Florida Public Utilities Company expect to make  
13 any modifications to the manner in which it promotes  
14 the approved energy conservation programs during the  
15 period January 1, 2008 through December 31, 2008?

16 A. Yes. In addition to continued participation in the  
17 statewide GetGasFL.com advertising campaign, Florida  
18 Public Utilities Company filed with the Commission  
19 (Docket No. 060415-GU) to update its residential gas  
20 conservation programs. This measure was approved by  
21 the Commission on August 15, 2006, with an  
22 anticipated implementation date of October 1, 2006.

- 23 1. **GoodCents Home Program** (Residential New Construction)
- 24 2. **GoodCents Appliance Improvement Program** (Replacement,  
25 Electric to Gas conversion)
- 26 3. **GoodCents Conservation Education Program** (Education and

- 1                    Seminars)
- 2                    4. **GoodCents Space Conditioning Program** (Space Conditioning
- 3                    Systems)
- 4                    5. **GoodCents Energy Survey** (Residential Conservation Service,
- 5                    Energy Survey)
- 6                    6. **GoodCents Appliance Upgrade** (Retention, Gas to Gas
- 7                    Program)
- 8                    7. **GoodCents Builder and Contractor Program**
- 9                    (Dealer/Contractor)
- 10                   8. **GoodCents Commercial Energy Survey** (Commercial
- 11                   Conservation)
- 12                   9. **GoodCents Natural Gas Service Reactivation** (Residential
- 13                   Service Reactivation Program)

14                   The GetGasFL.com advertising campaign promotes the

15                   energy conservation benefits of gas through the use

16                   of multiple media outlets. The campaign directs

17                   consumers to common web site. The web site contains

18                   additional benefits on the utilization of gas, the

19                   availability of gas by region, and contact

20                   information, as well as specifics about the energy

21                   conservation programs offered.

22                   The strengthened GoodCents branding will also direct

23                   consumers toward improved web site information

24                   services and will be supported in the field by

25                   expanded manpower resources and conservation

1 services.

2 Q. Does the campaign meet the guidelines for recovery  
3 under Rule 25-17.015, Energy Conservation Cost  
4 Recovery?

5 A. Yes, the campaign meets the guidelines established  
6 by Rule 25-17.015, Energy Conservation Cost  
7 Recovery.

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

11 A. Yes, the estimated cost of the campaign and services  
12 are included in the budget projections for 2008.

13 Q. Does this conclude your testimony?

14 A. Yes.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                   **DETERMINATION OF CONSERVATION COST RECOVERY FACTORS**

3                   **DIRECT TESTIMONY OF JEFF HOUSEHOLDER**

4                   **On behalf of**

5                   **INDIANTOWN GAS COMPANY, INC.**

6                   **DOCKET NO. 070004-GU**

7  
8           **Q.   PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**  
9           **ADDRESS.**

10          A.   My name is Jeff Householder. I am President of Jeff Householder and  
11               Company, Inc. My firm provides energy consulting, regulatory affairs and  
12               business development services to natural gas utilities, natural gas  
13               marketers, propane gas retailers, government agencies, and a number of  
14               industrial and commercial clients. My business address is 2333 West  
15               33<sup>rd</sup> Street, Panama City, Florida, 32405.

16          **Q.   PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**  
17          **EDUCATIONAL BACKGROUND.**

18          A.   Prior to beginning my consulting business in October 1999, I was Vice  
19               President of Marketing and Sales for TECO Peoples Gas. While with  
20               TECO, I was also responsible for the management of TECO Gas  
21               Services, an unregulated energy marketing company. I joined Peoples  
22               Gas subsequent to the TECO Energy acquisition of West Florida Natural  
23               Gas Company. At West Florida Natural Gas, I served as Vice President  
24               of Regulatory Affairs and Gas Management. Before that, I was Vice

1 President of Marketing and Sales at City Gas Company, a division of the  
2 NUI Corporation. Prior to joining City Gas, I was employed as Utility  
3 Administrative Officer for the City of Tallahassee, (an electric, gas, water  
4 and waste water utility). Early in my career, I was a Section Manager  
5 with the Florida Department of Community Affairs, responsible for  
6 administering the Florida Energy Code and related construction industry  
7 regulatory standards. I began my career as an analyst in the Florida  
8 Governor's Energy Office. From 1984 to 1995, concurrent with my other  
9 positions, I provided part-time consulting services to the natural gas,  
10 propane gas and homebuilding industries involving a variety of building  
11 code, marketing and energy regulatory matters. I received a Bachelor of  
12 Science Degree in 1978 from the Florida State University with an  
13 interdisciplinary major in Social Science (Economics and Business), and  
14 additional majors in Government and International Relations.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16 **PROCEEDING?**

17 A. I will briefly describe the status of the Company's recently implemented  
18 conservation programs. In addition, I will propose cost recovery factors  
19 for the twelve-month period ending December 31, 2008.

20 **Q. ARE YOU FAMILIAR WITH INDIANTOWN GAS COMPANY'S (THE**  
21 **COMPANY) ENERGY CONSERVATION PROGRAMS AND THE**  
22 **REVENUES AND COSTS RELATED TO THEIR IMPLEMENTATION?**

1 A. Yes. I was retained by the Company in January 2007 to develop its initial  
2 energy conservation programs. I prepared the Company's RIM Test and  
3 Participants Test analysis for each conservation program filed before the  
4 Commission on April 5, 2007, in Docket No. 070246.

5 **Q. PLEASE DESCRIBE THE CURRENT STATUS OF THE COMPANY'S**  
6 **CONSERVATION PROGRAMS.**

7 A. Until recently, the Company had no Commission approved energy  
8 conservation programs and did not participate in the Commission's  
9 annual conservation cost recovery docket. As noted above, the  
10 Company petitioned the Commission in May of this year to implement  
11 the following conservation programs:

- 12 • Residential New Construction Program
- 13 • Residential Appliance Replacement Program
- 14 • Residential Appliance Retention Program
- 15 • Conservation Education Program

16 The Commission approved the Company's proposed conservation  
17 programs on June 26, 2007 in Order No. PSC-07-0531-TRF-EG. The  
18 Company has completed the modification of its billing system to  
19 accommodate the approved energy conservation cost recovery factors.  
20 The Company has modified its accounting system to address  
21 conservation related revenues and expenses. The Company has  
22 established internal administrative processing procedures for  
23 conservation incentive payments and has been working with local

1 appliances vendors and homebuilders to review the conservation  
2 program features and administrative requirements. A mailing to  
3 consumers announcing the new programs is scheduled for October  
4 2007.

5 **Q. HAS THE COMPANY BILLED CONSUMERS THE APPROVED**  
6 **CONSERVATION COST RECOVERY FACTOR?**

7 A. Yes. The Commission established a June 5, 2007 effective date for the  
8 Company's tariff modification, including the cost recovery factors. The  
9 Company billed consumers the new conservation recovery factor in the  
10 months of July and August and will bill the month of September on or  
11 about October 1, 2007. The total conservation revenues received by the  
12 Company to date are \$6,735.19.

13 **Q. PLEASE DESCRIBE THE CONSERVATION PROGRAM EXPENSES**  
14 **INCURRED BY THE COMPANY TO DATE.**

15 A. The program expenses incurred to date are related entirely to the  
16 development and filing of the programs before the Commission  
17 (consultant and legal expenses) and minor expenses to adjust the  
18 Company's billing system as described above. No program incentive  
19 payments have been made to consumers.

20 **Q. IS THERE ANY REASON TO ANTICIPATE THAT PROJECTED 2008**  
21 **CONSERVATION REVENUES OR EXPENSES WOULD**  
22 **SIGNIFICANTLY AFFECT THE COMPANY'S RECENTLY APPROVED**  
23 **RECOVERY FACTORS?**

1 A. No. In its May 25, 2007 conservation program petition, the Company  
2 provided several schedules that calculated the conservation cost  
3 recovery factors subsequently approved by the Commission. The  
4 schedules assumed a seven month (June 2007-December 2007) period.  
5 Much of the expense in the initial recovery period, as noted above, is  
6 related to program development and filing costs. The Company has no  
7 actual experience offering conservation programs in its market area, and  
8 so has no historical basis for estimating participation levels or actual  
9 expenses. There are no known projected material changes in the  
10 Company's 2008 number of customers, their usage levels or other  
11 components used in calculating the recovery factors. If the Company  
12 were to file projections for 2008, they would not be substantively different  
13 from the projections used in its determining the existing recovery factors.

14 **Q. WHAT CONSERVATION COST RECOVERY FACTORS IS THE**  
15 **COMPANY PROPOSING FOR THE ANNUAL PERIOD ENDING**  
16 **DECEMBER 31, 2008?**

17 A. The Company proposes to continue the conservation factors approved  
18 by the Commission, effective September 14, 2007, through the annual  
19 period ending December 31, 2008. The Company would participate in  
20 the 2008 Conservation Cost Recovery docket with the benefit of actual  
21 expense and revenue history to guide the determination of its proposed  
22 recovery factors for the 2009 annual period.

- 1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 2 A. Yes.

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **KANDI M. FLOYD**

5  
6    Q.    Please state your name, business address, by whom you are employed, and in what  
7            capacity?

8  
9    A.    My name is Kandi M. Floyd. My business address is Peoples Gas System, 702 North  
10           Franklin Street, P.O. Box 2562, Tampa, Florida 33601-2562. I am employed by  
11           Peoples Gas System ("Peoples" or "Company") and am the Manager of State  
12           Regulatory.

13  
14   Q.    Please describe your educational and employment background.

15  
16   A.    I have a Bachelor of Arts Degree in Business Administration from Saint Leo College.  
17           From 1995 to 1997, I was employed in a series of positions within the regulatory  
18           affairs department of Tampa Electric Company. In 1998, I joined Peoples Gas System  
19           as a Regulatory Coordinator in the Regulatory and Gas Supply Department. In 2001, I  
20           became the Energy Conservation / Regulatory Administrator and in 2003 became the  
21           Manager of State Regulatory for Peoples Gas System. In this role, I am responsible  
22           for coordinating and overseeing all Energy Conservation Cost Recovery ("ECCR")  
23           Clause activities along with various other regulatory activities for Peoples.

24  
25   Q.    What is the purpose of your testimony in this docket?

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A. My testimony addresses Peoples' conservation programs, the expenses that Peoples has incurred, the revenues recovered by Peoples through the ECCR clause from January 2007 through August 2007, and the costs that Peoples seeks to recover through the ECCR clause in 2008.

First, my testimony describes generally the actual and projected expenditures made for the purpose of implementing, promoting and operating Peoples' energy conservation programs for the current period. This information includes the adjusted net true-up amounts associated with those programs for the period January 2006 through December 2006. Next, my testimony addresses the actual costs incurred from January 2007 through August 2007, and revised projections of program costs that Peoples expects to incur from September 2007 through December 2007. In addition, my testimony presents projected conservation program costs for the period January 2008 through December 2008.

Finally, my testimony presents the calculation of the conservation cost recovery adjustment factors to be applied to customers' bills during the period beginning with the first billing cycle for January 2008 and continuing through the last billing cycle for December 2008.

Q. Has Peoples made any revisions to its current Energy Conservation Programs?

A. Peoples filed with the Florida Public Service Commission on June 26, 2006, its request for approval to modify its energy conservation programs. The filing was

1 assigned Docket No. 060478-EG. The request sought approval from the Commission  
2 to re-title certain programs, to modify the allowances payable under certain existing  
3 programs, and to make the Company's Non-West Florida Region programs as  
4 modified available to customers in the West Florida Region, thereby eliminating the  
5 former West Florida Region programs. On October 27, 2006, those modifications  
6 were approved in Order No. PSC-06-0902-CO-EG which resulted in a single set of  
7 conservation programs, applicable throughout all areas served by the Company.  
8

9 Q. Are you sponsoring any exhibits with your testimony?  
10

11 A. Yes. I am sponsoring two exhibits produced under my direction and supervision.  
12 Exhibit \_\_\_\_ (KMF-1) contains the conservation cost recovery true-up data for the  
13 period January 2006 through December 2006 for all areas Peoples serves, and Exhibit  
14 \_\_\_\_ (KMF-2) contains the conservation cost recovery true-up data for the period  
15 January 2007 through August 2007 as well as re-projected expenses for the period  
16 September 2007 through December 2007 for all areas served by Peoples. In addition,  
17 Exhibit \_\_\_\_ (KMF-2) consists of Schedules C-1 through C-5, which contain  
18 information related to the calculation of the ECCR factors to be applied to customers'  
19 bills during the period January 2008 through December 2008.  
20

21 Q. Have you prepared schedules showing the expenditures associated with Peoples'  
22 energy conservation programs for the period January 2006 through December 2006?  
23

24 A. Yes. Actual expenses for the period January 2006 through December 2006 are shown  
25 on Schedule CT-2, page 2, of Exhibit \_\_\_\_ (KMF-1). and Schedule CT-2, page 1

1 presents a comparison of the actual program costs and true-up amount to the projected  
2 costs and true-up amount for the same period.

3  
4 Q. What are the Company's true-up amounts for the period January 2006 through  
5 December 2006?

6  
7 A. As shown on Schedule CT-1 of Exhibit \_\_\_\_ (KMF-1), the end-of-period net true-up  
8 for the period is an overrecovery of \$1,060,158 including both principal and interest.  
9 The projected true-up for the period, as approved by Commission Order No. PSC-06-  
10 0996-FOF-GU, was an overrecovery of \$1,659,797 (including interest). Subtracting  
11 the projected true-up overrecovery from the actual overrecovery yields the adjusted  
12 net true-up of \$599,639 underrecovery (including interest).

13  
14 Q. Have you prepared summaries of the Company's conservation programs and the  
15 projected costs associated with these programs?

16  
17 A. Yes. Summaries of the Company's programs are presented in Schedule C-5 of Exhibit  
18 \_\_\_\_ (KMF-2).

19  
20 Q. Have you prepared schedules required for the calculation of Peoples' proposed  
21 conservation adjustment factors to be applied during the billing periods from January  
22 2008 through and including December 2008?

23  
24 A. Yes. Schedule C-3 of Exhibit \_\_\_\_ (KMF-2) shows actual expenses for the period  
25 January 2007 through August 2007 and projected expenses for the period September

1 2007 through December 2007.

2  
3 Projected expenses for the January 2008 through December 2008 period are shown on  
4 Schedule C-2 of Exhibit \_\_\_\_ (KMF-2), and are shown for all areas served by the  
5 Company. The total annual cost projected represents a continuation of Peoples' active  
6 expansion of the availability of natural gas throughout Florida. Schedule C-1 shows  
7 the calculation of the conservation adjustment factors to be applied to all customers of  
8 the Company who are subject to the factors. The estimated true-up amount from  
9 Schedule C-3 (Page 4) of Exhibit \_\_\_\_ (KMF-2), an overrecovery, was subtracted from  
10 the total of the projected costs for the January 2008 through December 2008 period.  
11 The resulting total of \$2,575,021 is the expense to be recovered during calendar year  
12 2008. This total expense was then allocated to the Company's affected rate classes  
13 pursuant to the methodology previously approved by the Commission, divided by the  
14 expected consumption of each rate class, and then adjusted for the regulatory  
15 assessment fee.

16  
17 Schedule C-1 of Exhibit \_\_\_\_ (KMF-2) shows the resulting estimated ECCR revenues  
18 and adjustment factors by rate class for the period January 2008 through December  
19 2008.

20  
21 Q. Does this conclude your prefiled direct testimony?

22  
23 A. Yes, it does.

24  
25

1. **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2. In Re: Conservation Cost  
3. Recovery ClauseDocket No. 070004-EG  
Filing Date: May 2, 2007

4. \_\_\_\_\_/

5.

6. **DIRECT TESTIMONY OF DEBBIE STITT ON  
BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.**

7.

8. Q. Please state your name, business address, by whom you are  
9. employed and in what capacity.10. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456  
11. St. Joe Natural Gas Company in the capacity of Energy  
12. Conservation Analyst.

13. Q. What is the purpose of your testimony?

14. A. My purpose is to submit the expenses and revenues  
15. associated with the Company's conservation programs  
16. during the twelve month period ending December 31, 2006  
17. and to identify the final true-up amount related to that  
18. period.19. Q. Have you prepared any exhibits in conjunction with your  
20. testimony?21. A. Yes, I have prepared and filed together with this testi-  
22. mony this 2nd day of May, 2007 Schedules CT-1 through  
23. CT-5 prescribed by the Commission Staff which have  
24. collectively been entitled "Adjusted Net True-up for  
25. twelve months ending December 31, 2006" for identi-  
fication.

1. Q. What amount did St. Joe Natural Gas spend on conser-
2. vation programs during the period?
3. A. \$9,175.00
4. Q. What is the final true-up amount associated with this
5. twelve month period ending December 31, 2006?
6. A. An over-recovery of \$438.00?
7. Q. Does this conclude your testimony?
9. A. Yes
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## 1           BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2   In Re:  Conservation Cost        )  
          Recovery Clause         )  
3   \_\_\_\_\_  )  
  Docket No.070004-EG  
  Submitted for Filing  
  September 18, 2007

4  
5           DIRECT TESTIMONY OF DEBBIE STITT ON BEHALF OF  
          ST. JOE NATURAL GAS COMPANY, INC.  
6

7   Q.   Please state your name, business address, by whom you  
8        are employed and in what capacity.

9   A.   Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida  
10       32456, St Joe Natural Gas Company in the capacity of  
11       Energy Conservation Analyst.

12   Q.   What is the purpose of your testimony?

13   A.   My purpose is to submit the known and projected expenses and  
14        revenues associated with SJNG's conservation programs incurred  
15        in January thru August 2007 and projection costs to be incurred  
16        from Sept. 2007 through December 2007.  It will also include  
17        projected conservation costs for the period January 1, 2008  
18        through December 31, 2008 with a calculation of the conservation  
19        adjustment factors to be applied to the customers' bills during  
20        the January 1, 2008 through December 31, 2008 period.

21   Q.   Have you prepared any exhibits in conjunction with your testimony?

22   A.   Yes, I have prepared and filed to the Commission the 18<sup>th</sup> day of  
23        September 2007 Schedule C-1 prescribed by the Commission Staff  
24        which has collectively been titled "Energy Conservation Adjustment  
25        Summary of Cost Recovery Clause Calculation for months January

1           1, 2008 through December 31, 2008" for identification.

2       Q.   What Conservation Adjustment Factor does St. Joe Natural Gas  
3           seek approval through its petition for the twelve month period  
4           ending December 31, 2008.

5       A.   \$.10066 per therm for GS-1, \$.07825 per therm for GS-2, and  
6           \$.03660 for GS-3 customers.

7       Q.   Does this conclude your testimony?

8       A.   Yes.

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                   **DETERMINATION OF CONSERVATION COST RECOVERY FACTORS**  
3                   **DIRECT TESTIMONY OF JEFF HOUSEHOLDER**

4                   **On behalf of**

5                   **SEBRING GAS SYSTEM, INC.**

6                   **DOCKET NO. 070004-GU**

7  
8           **Q.    PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**  
9           **ADDRESS.**

10          A.    My name is Jeff Householder. I am President of Jeff Householder and  
11                Company, Inc. My firm provides energy consulting, regulatory affairs and  
12                business development services to natural gas utilities, natural gas  
13                marketers, propane gas retailers, government agencies, and a number of  
14                industrial and commercial clients. My business address is 2333 West  
15                33<sup>rd</sup> Street, Panama City, Florida, 32405.

16          **Q.    PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**  
17          **EDUCATIONAL BACKGROUND.**

18          A.    Prior to beginning my consulting business in October 1999, I was Vice  
19                President of Marketing and Sales for TECO Peoples Gas. While with  
20                TECO, I was also responsible for the management of TECO Gas  
21                Services, an unregulated energy marketing company. I joined Peoples  
22                Gas subsequent to the TECO Energy acquisition of West Florida Natural  
23                Gas Company. At West Florida Natural Gas, I served as Vice President  
24                of Regulatory Affairs and Gas Management. Before that, I was Vice

1 President of Marketing and Sales at City Gas Company, a division of the  
2 NUI Corporation. Prior to joining City Gas, I was employed as Utility  
3 Administrative Officer for the City of Tallahassee, (an electric, gas, water  
4 and waste water utility). Early in my career, I was a Section Manager  
5 with the Florida Department of Community Affairs, responsible for  
6 administering the Florida Energy Code and related construction industry  
7 regulatory standards. I began my career as an analyst in the Florida  
8 Governor's Energy Office. From 1984 to 1995, concurrent with my other  
9 positions, I provided part-time consulting services to the natural gas,  
10 propane gas and homebuilding industries involving a variety of building  
11 code, marketing and energy regulatory matters. I received a Bachelor of  
12 Science Degree in 1978 from the Florida State University with an  
13 interdisciplinary major in Social Science (Economics and Business), and  
14 additional majors in Government and International Relations.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16 **PROCEEDING?**

17 A. I will briefly describe the status of the Company's recently implemented  
18 conservation programs. In addition, I will propose cost recovery factors  
19 for the twelve-month period ending December 31, 2008.

20 **Q. ARE YOU FAMILIAR WITH SEBRING GAS SYSTEM'S (THE**  
21 **COMPANY) ENERGY CONSERVATION PROGRAMS AND THE**  
22 **REVENUES AND COSTS RELATED TO THEIR IMPLEMENTATION?**

1 A. Yes. I was retained by the Company in January 2007 to develop its initial  
2 energy conservation programs. I prepared the Company's RIM Test and  
3 Participants Test analysis for each conservation program filed before the  
4 Commission on May 25, 2007, in Docket No. 070339.

5 **Q. PLEASE DESCRIBE THE CURRENT STATUS OF THE COMPANY'S**  
6 **CONSERVATION PROGRAMS.**

7 A. Until recently, the Company had no Commission approved energy  
8 conservation programs and did not participate in the Commission's  
9 annual conservation cost recovery docket. As noted above, the  
10 Company petitioned the Commission in May of this year to implement  
11 the following conservation programs:

- 12 • Residential New Construction Program
- 13 • Residential Appliance Replacement Program
- 14 • Residential Appliance Retention Program
- 15 • Conservation Education Program

16 The Commission approved the Company's proposed conservation  
17 programs on August 24, 2007 in Order No. PSC-07-0693-TIF-EG, with  
18 an effective tariff date of September 14, 2007. The Company has  
19 completed the modification of its billing system to accommodate the  
20 approved energy conservation cost recovery factors. The Company has  
21 modified its accounting system to address conservation related revenues  
22 and expenses. The Company has established internal administrative  
23 processing procedures for conservation incentive payments and has

1           been working with local appliances vendors and homebuilders to review  
2           the conservation program features and administrative requirements. A  
3           mailing to consumers announcing the new programs is scheduled for  
4           November 2007.

5   **Q.   HAS THE COMPANY BILLED CONSUMERS THE APPROVED**  
6   **CONSERVATION COST RECOVERY FACTOR?**

7   A.   No. The Commission established a September 14, 2007 effective date  
8           for the Company's tariff modification, including the cost recovery factors.  
9           Sebring conducts its monthly meter readings at the end of each month.  
10          The first consumer billing to include the new conservation recovery  
11          factors will be on or about October 1, 2007. No conservation revenues  
12          have been received by the Company to date.

13   **Q.   PLEASE DESCRIBE THE CONSERVATION PROGRAM EXPENSES**  
14   **INCURRED BY THE COMPANY TO DATE.**

15   A.   The program expenses incurred to date are related entirely to the  
16          development and filing of the programs before the Commission  
17          (consultant and legal expenses) and minor expense to adjust the  
18          Company's billing system as described above. No program incentive  
19          payments have been made to consumers. Given that no conservation  
20          revenues have been received at this time by the Company to offset the  
21          program development expenses, the Company is in a net under-  
22          recovered position.

1 Q. IS THERE ANY REASON TO ANTICIPATE THAT PROJECTED 2008  
2 CONSERVATION REVENUES OR EXPENSES WOULD  
3 SIGNIFICANTLY AFFECT THE COMPANY'S RECENTLY APPROVED  
4 RECOVERY FACTORS?

5 A. No. In its May 25, 2007 conservation program petition, the company  
6 provided several schedules that calculated the conservation cost  
7 recovery factors subsequently approved by the Commission. The  
8 schedules assumed a seven month (June 2007-December 2007) period.  
9 Most of the expenses in the initial recovery period, as noted above, are  
10 related to program development and filing costs and are incorporated  
11 into the current factors. The Company has no actual experience offering  
12 conservation programs in its market area, and so has no historical basis  
13 for estimating participation levels or actual expenses. There are no  
14 known material changes in the Company's 2008 number of customers,  
15 term usage levels or other components used in calculating the recovery  
16 factors. If the Company were to file projections for 2008, they would not  
17 be substantively different from the projections used in its determining the  
18 existing recovery factors.

19 Q. WHAT CONSERVATION COST RECOVERY FACTORS IS THE  
20 COMPANY PROPOSING FOR THE ANNUAL PERIOD ENDING  
21 DECEMBER 31, 2008?

22 A. The Company proposes to continue the conservation factors approved  
23 by the Commission, effective September 14, 2007, through the annual

1 period ending December 31, 2008. The Company would participate in  
2 the 2008 Conservation Cost Recovery docket with the benefit of actual  
3 expense and revenue history to guide the determination of its proposed  
4 recovery factors for the 2009 annual period.

5 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

6 **A. Yes.**

1 MS. FLEMING: As previously stated, all issues are  
2 stipulated in this docket, and so staff recommends that a  
3 decision could, bench decision could be made in this docket.  
4 And with that, staff would recommend that the stipulations on  
5 Pages 5 through 8 of the Prehearing Order, Issues 1 through 8,  
6 be approved by the Commission. Issues 1 through 3. I'm sorry.

7 CHAIRMAN EDGAR: Are you just checking to make sure  
8 I'm listening? Change the date, change the number of issues.  
9 (Laughter.) And I am, by the way.

10 Okay. Commissioners, as you've heard, our staff has  
11 recommended a bench decision, recognizing that all issues have  
12 been stipulated by all parties, Issues 1 through 3. Is there a  
13 motion to adopt the proposed stipulations?

14 COMMISSIONER CARTER: So move.

15 COMMISSIONER SKOP: Second.

16 CHAIRMAN EDGAR: All in favor, say aye.

17 (Unanimous affirmative vote.)

18 Opposed? Show it adopted.

19 Any other matters in this docket?

20 MS. FLEMING: No other matters, Madam Chair. We'll  
21 just note for the record that the order will be issued by  
22 December 3rd.

23 CHAIRMAN EDGAR: And the Final Order will be issued  
24 by December 3rd. And that concludes the 04 docket.

25 (Hearing adjourned at 9:54 a.m.)

1 STATE OF FLORIDA )  
2 COUNTY OF LEON )

CERTIFICATE OF REPORTER

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I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 16<sup>th</sup> day of November, 2007.

Linda Boles  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734

<b>Comprehensive Exhibit List for Entry into Hearing Record</b>				
Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
<i>Staff</i>				
1		Exhibit List- Stip-1	Comprehensive Stipulated Exhibit List	
<i>Testimony Exhibit List</i>				
<i>CUC</i>				
2	Brian S. Bilinski	BSB-1	True-up variance analysis [Schedules CT1-CT6].	
3	Brian S. Bilinski	BSB-2	Projections Recovery Clause Calculation: Estimated ECCR charges by rate classification; [Schedules C- 1 through C-4].	
<i>FCG</i>				
4	Ramiro Sicre	RS-1	Schedules CT-1, CT-2 and CT-3	
5	Carolyn Bermudez	CB-1	Schedules C-1,C-2, C-3 and C-5.	
<i>FPUC</i>				
6	Marc S. Seagrave	MSS-1	Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and C- 6.	
7	Marc S. Seagrave	MSS-2	Schedules C1, C2, C3, and C5.	
<i>PGS</i>				
8	Kandi M. Floyd	KMF-1	Conservation cost recovery true-up data (January 2006 - December 2006) consisting of schedules CT 1 through CT 6.	
9	Kandi M. Floyd	KMF-2	Data for development of conservation cost recovery factors (January 1 - December 31, 2008), consisting of schedules C 1 through C 5.	

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070004-GU EXHIBIT 1

COMPANY FPSC Staff

WITNESS Exhibit List Stip-1

DATE 11-06-07

<b>Comprehensive Exhibit List for Entry into Hearing Record</b>				
<b>Hearing I.D. #</b>	<b>Witness</b>	<b>I.D. # As Filed</b>	<b>Exhibit Description</b>	<b>Entered</b>
<i>SJNG</i>				
10	Debbie Stitt	DKS-1	Schedules CT-1, CT-2, CT-3, CT-4, and CT-5.	
11	Debbie Stitt	DKS-2	Schedules C-1, C-2, C-3, and C-4.	

Docket No. 070004-GU

Exhibit \_\_\_\_\_ (BSB-1)

CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY TRUE-UP  
January 1, 2006 through December 31, 2006

**FLORIDA PUBLIC SERVICE COMMISSION**  
DOCKET NO. 070004-GU EXHIBIT 2  
COMPANY CUC  
WITNESS Brian S. Bilinski (BB-1)  
DATE 11-06-07

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SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation  
Docket No. 070004-GU  
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ADJUSTED NET TRUE-UP  
FOR MONTH JANUARY 2006 THROUGH DECEMBER 2006

END OF PERIOD NET TRUE-UP		
PRINCIPLE	(15,031)	
INTEREST	<u>4,032</u>	(10,999)
LESS PROJECTED TRUE-UP		
PRINCIPLE	1,684	
INTEREST	<u>4,464</u>	<u>6,148</u>
ADJUSTED NET TRUE-UP		<u>(17,147)</u>

( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2006 THROUGH DECEMBER 2006

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	390,742	408,911	(18,169)
MATERIALS & SUPPLIES	37,867	29,022	8,845
ADVERTISING	41,777	43,912	(2,135)
INCENTIVES	441,915	438,795	3,120
OUTSIDE SERVICES	1,222	1,832	(610)
VEHICLES	34,944	40,617	(5,673)
OTHER	18,796	15,463	3,333
SUB-TOTAL	967,263	978,552	(11,290)
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	967,263	978,552	(11,290)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(982,293)	(976,869)	(5,424)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(15,031)	1,684	(16,715)
INTEREST PROVISION	<u>4,032</u>	<u>4,464</u>	<u>(432)</u>
END OF PERIOD TRUE-UP	<u>(10,999)</u>	<u>6,148</u>	<u>(17,147)</u>

( ) REFLECTS OVER-RECOVERY

\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	228,506	17,658	20,561	428,160	1,222	18,836	13,470	728,413
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	53,733	5,040	8,660	9,780	0	3,797	3,331	84,341
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	1,164	1,270	0	1,475	0	(4)	0	3,905
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	61,353	6,389	802	2,500	0	6,901	440	78,385
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	135	3	0	0	0	5	0	143
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	149	149
PROGRAM 7: CONSERVATION EDUCATION	0	45,851	7,507	11,754	0	0	5,409	1,405	71,926
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>390,742</b>	<b>37,867</b>	<b>41,777</b>	<b>441,915</b>	<b>1,222</b>	<b>34,944</b>	<b>18,796</b>	<b>967,263</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	(7,742)	5,882	(816)	1,658	(610)	(2,495)	2,368	(1,755)
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	(3,354)	942	8,660	1,950	0	(1,021)	1,410	8,587
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	1,164	(593)	(8,466)	(738)	0	(4)	0	(8,637)
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	(2,432)	175	766	250	0	(711)	256	(1,696)
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	0	0	0	0	0	0	0	0
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	(5,805)	2,439	(2,279)	0	0	(1,442)	(702)	(7,789)
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	(18,169)	8,845	(2,135)	3,120	(610)	(5,673)	3,333	(11,290)

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	23,704	54,678	86,733	52,528	118,707	62,576	46,985	40,868	109,368	23,594	42,175	66,497	728,413
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	6,634	7,881	6,562	8,375	8,607	5,696	6,731	5,660	4,381	8,314	5,562	9,938	84,341
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	522	400	0	0	0	0	319	1,475	0	0	0	1,189	3,905
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	5,831	6,207	8,413	2,604	7,291	5,845	8,470	8,799	7,917	4,770	8,654	3,584	78,385
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	0	0	0	0	143	0	0	0	0	0	0	143
PROGRAM 6: GAS SPACE CONDITIONING	0	0	149	0	0	0	0	0	0	0	0	0	149
PROGRAM 7: CONSERVATION EDUCATION	6,627	11,203	2,359	7,921	7,172	4,468	6,348	7,045	4,092	5,609	4,739	4,342	71,926
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	43,319	80,369	104,216	71,429	141,777	78,727	68,853	63,847	125,758	42,286	61,130	85,550	967,263
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	43,319	80,369	104,216	71,429	141,777	78,727	68,853	63,847	125,758	42,286	61,130	85,550	967,263

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2006 THROUGH DECEMBER 2006

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(143,095)	(132,531)	(119,886)	(107,453)	(101,546)	(87,934)	(80,160)	(78,474)	(79,286)	(90,636)	(97,271)	(116,256)	(1,234,529)
4. TOTAL REVENUES	(143,095)	(132,531)	(119,886)	(107,453)	(101,546)	(87,934)	(80,160)	(78,474)	(79,286)	(90,636)	(97,271)	(116,256)	(1,234,529)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	21,020	21,020	21,020	21,020	21,020	21,020	21,020	21,020	21,020	21,020	21,020	21,020	252,236
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(122,075)	(111,511)	(98,867)	(86,433)	(80,526)	(66,914)	(59,141)	(57,455)	(58,266)	(69,617)	(76,251)	(95,236)	(982,293)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	43,319	80,369	104,216	71,429	141,777	78,727	68,853	63,847	125,758	42,286	61,130	85,550	967,263
8. TRUE-UP THIS PERIOD	(78,756)	(31,142)	5,350	(15,004)	61,251	11,813	9,713	6,393	67,492	(27,330)	(15,122)	(9,686)	(15,030)
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	743	479	363	277	293	371	339	283	351	349	165	19	4,032
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	252,236	153,203	101,520	86,213	50,466	90,991	82,155	71,187	56,843	103,667	55,666	19,689	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	(21,020)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	153,203	101,520	86,213	50,466	90,991	82,155	71,187	56,843	103,667	55,666	19,689	(10,998)	(10,998)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	252,236	153,203	101,520	86,213	50,466	90,991	82,155	71,187	56,843	103,667	55,666	19,689	
2. ENDING TRUE-UP BEFORE INTEREST	152,460	101,041	85,850	50,189	90,698	81,784	70,848	56,560	103,315	55,317	19,524	(11,017)	
3. TOTAL BEGINNING & ENDING TRUE-UP	404,696	254,244	187,369	136,402	141,164	172,775	153,002	127,748	160,159	158,984	75,190	8,672	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	202,348	127,122	93,685	68,201	70,582	86,387	76,501	63,874	80,079	79,492	37,595	4,336	
5. INTER. RATE - 1ST DAY OF REPORTING 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. INTER. RATE - 1ST DAY OF SUBSEQUENT 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 (SUM LINES 5 & 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 (LINE 7 TIMES 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 AVG INTEREST RATE	0.37%	0.38%	0.39%	0.41%	0.42%	0.43%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	743	479	363	277	293	371	339	283	351	349	165	19	4,032



Exhibit No. \_\_\_\_\_(BSB-1)  
Docket No. 070004-GU  
CHESAPEAKE UTILITIES CORPORATION  
Page 9 of 17

Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit  
Report for January 2006 through December 2006.

**NO DIFFERENCES AS OF THE DATE OF THIS FILING**

Schedule CT-6  
Page 1 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Home Builder Program (Residential New Construction Program)

Program Description:

This program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy efficient natural gas appliances in residences that would qualify for the Company's residential rates. Incentives are offered in the form of conservation allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances for 2006 are:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Projections:

For the twelve-month period January 2006 through December 2006, we estimated that 996 homes would be connected to the system. During this period, allowances were actually paid for building 926 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$728,413.

Program Progress Summary:

Since the program's inception, 9,367 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.

Schedule CT-6  
Page 2 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered in the form of allowances to assist in defraying the additional cost associated with the installation of piping, venting and purchase of natural gas appliances.

Allowances:

Conservation allowances for 2006 are:

- \$330.00 Energy Efficient Water Heater Installation
- \$330.00 Natural Gas Home Heating System
- \$ 50.00 Energy Efficient Gas Range
- \$ 50.00 Natural Gas Clothes Dryer

Program Projections:

For the twelve-month period January 2006 through December 2006, we estimated that 18 residences would qualify for incentives during this period. In actuality, 28 residences qualified for incentives.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$84,341.

Program Summary:

Since inception, 313 residences have qualified for this program.

Schedule CT-6  
Page 3 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Propane Distribution Program

Program Description:  
The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:  
Conservation allowances are currently:  
    \$275 Energy efficient natural gas water heater installation.  
    \$275 Natural Gas home heating.  
    \$ 75 Energy efficient natural gas range or dryer stub outlet.

Program Fiscal Expenditures:  
Program cost totaled \$3,905 for this twelve-month period, incurred by staff in response to builder/developer inquiries.

Program Summary:  
Five propane distribution sub-divisions have been added under this program since its inception.

Schedule CT-6  
Page 5 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

This program is designed to convert residential customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce the summer KW demand and will assist in the conservation of KWH production.

Program Projections:

The projected expenses for this period were \$143.

Program Fiscal Expenditures:

Program costs for this twelve-month period totaled \$143.

Program Summary:

Five residential gas space conditioning units have been installed since the inception of this program.

Schedule CT-6  
Page 4 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Water Heater Retention Program (Residential Appliance Retention Program)

Program Description:

The Company offers this program to existing customers and dealers to encourage the continued use of natural gas in the home and avoid costly abandonment activities. The water heater is not only the primary natural gas cost savings appliance within the homes, but it is also the anchor natural gas load within the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash payment to the customer and dealer.

Allowances:

Conservation allowances for 2006 are:

- \$100 Energy efficient natural gas water heater installation.
- \$ 50 Dealer

Program Activity and Projections:

For the twelve-month period January 2006 through December 2006, we estimated that 42 natural gas water heaters would qualify for this program. In actuality, 39 rebates were paid for natural gas water heaters installed.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$78,385.

Program Summary:

Since inception, 775 natural gas water heaters have been changed out and natural gas water heaters reinstalled. CUC will continue to work closely with homeowners and dealers to promote the continued use of energy efficient natural gas.

Schedule CT-6  
Page 6 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Projections:

The expenses projected for this period were \$149.

Program Fiscal Expenditures:

Program costs for this twelve-month period totaled \$149.

Program Summary:

Eight natural gas space conditioning units have been installed since the inception of this program.

Schedule CT-6  
Page 7 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's utility bill.

Program Activity and Projections:  
We continue to develop branded programs as well as expand community outreach programs designed to inform and educate the general public as well as business interest in the communities about the availability of our conservation programs, and the benefits and value of natural gas. Examples of these types of programs;

**Energy Plus Home Program** is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings, associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs - *Residential Appliance Replacement Program*, *Residential Water Heater Retention Program*, and *the Space Conditioning for Residential Applications*.

**Energy Plus Home Builder Program** promotes the *Residential Home Builder Program* which purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

**Energy Plus Partners Program** is the new name of the Preferred Partners program that was launched in late 2001. The program works to remove market

Schedule CT-6  
Page 8 of 8

barriers, expand consumer choice, and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowances programs. Examples of business entities that support the gas system and are potential partners for the gas company: builders, developers, retailers, HVAC providers, plumbers, and architects, to name but a few. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Water Heater Retention Program, Space Conditioning for Residential Applications, Residential Home Builder Program, and the Residential Propane Distribution Program*

**Energy Smart Kids Program** educates and engages young minds in an in-school setting. The classroom-based program provides posters, classroom activities, gas education booklets, pencils and teaching plan. A "school board" approved curriculum offers teachers a balanced five day lesson plan ending with an in-classroom demonstration featuring "Effie" the power station – a small working power generating engine that converts gas into electric. Energy conservation is the main theme of the program.

Program Fiscal Expenditures:

Program costs totaled \$71,926 for this twelve-month period.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony and Exhibit BSB-1 of Brian Bilinski on behalf of the Florida Division of Chesapeake Utilities Corporation, has been furnished by U.S. Mail to the following parties of record this 2<sup>nd</sup> day of May 2007.

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Tallahassee, FL 32301  
(850) 224-9634

Docket No. 070004-GU

Exhibit \_\_\_\_\_ (BSB-2)

THE FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY PROJECTION  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070004-GU EXHIBIT 3

COMPANY CUC

WITNESS Brian S. Bilinski (BSB2)

DATE 11-06-07

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2008 THROUGH DECEMBER 2008  
PER THERM BASIS

1. INCREMENTAL COSTS (SCHEDULE C-2)	1,473,388
2. TRUE-UP (SCHEDULE C-3)	<u>(339,335)</u>
3. TOTAL	<u>1,134,053</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	37,712	331,795	\$377,120	\$146,232	\$523,352	\$61,136	11.6816%	\$0.1843	1.00503	\$0.18519
FTS-B	30,548	452,547	\$381,856	\$199,451	\$581,307	\$67,906	11.6816%	\$0.1501	1.00503	\$0.15081
FTS-1	83,075	1,785,476	\$1,246,125	\$786,913	\$2,033,038	\$237,492	11.6816%	\$0.1330	1.00503	\$0.13368
FTS-2	21,832	1,695,244	\$600,382	\$497,656	\$1,098,038	\$128,269	11.6816%	\$0.0757	1.00503	\$0.07604
FTS-3	4,998	2,711,214	\$449,820	\$536,305	\$986,125	\$115,196	11.6816%	\$0.0425	1.00503	\$0.04270
FTS-4	2,111	2,876,892	\$348,315	\$515,165	\$863,480	\$100,869	11.6816%	\$0.0351	1.00503	\$0.03524
FTS-5	408	1,135,691	\$112,200	\$188,831	\$301,031	\$35,165	11.6816%	\$0.0310	1.00503	\$0.03112
FTS-6	204	1,075,575	\$91,800	\$157,722	\$249,522	\$29,148	11.6816%	\$0.0271	1.00503	\$0.02724
FTS-7	240	2,978,000	\$114,000	\$330,379	\$444,379	\$51,911	11.6816%	\$0.0174	1.00503	\$0.01752
FTS-8	132	3,144,900	\$99,000	\$321,786	\$420,786	\$49,155	11.6816%	\$0.0156	1.00503	\$0.01571
FTS-9	132	5,731,000	\$118,800	\$513,326	\$632,126	\$73,843	11.6816%	\$0.0129	1.00503	\$0.01295
FTS-10	36	2,256,000	\$54,000	\$187,564	\$241,564	\$28,219	11.6816%	\$0.0125	1.00503	\$0.01257
FTS-11	72	8,736,000	\$216,000	\$599,988	\$815,988	\$95,321	11.6816%	\$0.0109	1.00503	\$0.01097
FTS-12	24	6,710,000	\$96,000	\$421,254	\$517,254	\$60,424	11.6816%	\$0.0090	1.00503	\$0.00905
<b>TOTAL</b>	181,524	41,620,334	\$4,305,418	\$5,402,573	\$9,707,991	\$1,134,053	11.6816%			

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2008 THROUGH DECEMBER 2008  
PER BILL BASIS - Experimental

1. INCREMENTAL COSTS (SCHEDULE C-2)	1,473,388
2. TRUE-UP (SCHEDULE C-3)	<u>(339,335)</u>
3. TOTAL	<u>1,134,053</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	37,712	331,795	\$377,120	\$146,232	\$523,352	\$61,136	11.6816%	\$1.6211	1.00503	\$1.63
FTS-B	30,548	452,547	\$381,856	\$199,451	\$581,307	\$67,906	11.6816%	\$2.2229	1.00503	\$2.23
FTS-1	83,075	1,785,476	\$1,246,125	\$786,913	\$2,033,038	\$237,492	11.6816%	\$2.8588	1.00503	\$2.87
FTS-2	21,832	1,695,244	\$600,382	\$497,656	\$1,098,038	\$128,269	11.6816%	\$5.8753	1.00503	\$5.90
FTS-3	4,998	2,711,214	\$449,820	\$536,305	\$986,125	\$115,196	11.6816%	\$23.0483	1.00503	\$23.16
FTS-4	2,111	2,876,892	\$348,315	\$515,165	\$863,480	\$100,869				
FTS-5	408	1,135,691	\$112,200	\$188,831	\$301,031	\$35,165				
FTS-6	204	1,075,575	\$91,800	\$157,722	\$249,522	\$29,148				
FTS-7	240	2,978,000	\$114,000	\$330,379	\$444,379	\$51,911				
FTS-8	132	3,144,900	\$99,000	\$321,786	\$420,786	\$49,155				
FTS-9	132	5,731,000	\$118,800	\$513,326	\$632,126	\$73,843				
FTS-10	36	2,256,000	\$54,000	\$187,564	\$241,564	\$28,219				
FTS-11	72	8,736,000	\$216,000	\$599,988	\$815,988	\$95,321				
FTS-12	24	6,710,000	\$96,000	\$421,254	\$517,254	\$60,424				
TOTAL	181,524	41,620,334	\$4,305,418	\$5,402,573	\$9,707,991	\$1,134,053	11.6816%			



PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION (908E)	0	250,000	15,000	95,000	463,375	42,000	20,000	10,000	895,375
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)	0	75,000	5,000	22,000	170,625	0	3,000	2,000	277,625
3. RESIDENTIAL PROPANE DISTRIBUTION	0	0	3,000	9,000	0	0	0	0	12,000
4. RESIDENTIAL APPLIANCE RETENTION (908G)	0	100,000	6,000	0	60,000	0	8,000	4,000	178,000
5. NG SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
6. GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
7. EDUCATION	0	75,000	10,000	16,000	4,388	0	4,000	1,000	110,388
8. COMMON COSTS	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	0	500,000	39,000	142,000	698,388	42,000	35,000	17,000	1,473,388
LESS: AMOUNT IN RATE BASE	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSER.	0	500,000	39,000	142,000	698,388	42,000	35,000	17,000	1,473,388



CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION (908E)									
A. ACTUAL	0	133,789	3,224	40,358	214,325	595	11,506	3,198	406,995
B. ESTIMATED	0	66,894	1,612	40,179	132,163	298	5,753	1,599	248,498
C. TOTAL	0	200,683	4,836	80,537	346,488	893	17,259	4,797	655,493
2. RESIDENTIAL APPLIANCE REPLACEMENT (908C)									
A. ACTUAL	0	31,175	1,774	8,568	10,770	595	1,165	122	54,169
B. ESTIMATED	0	15,588	887	14,284	5,385	298	583	61	37,085
C. TOTAL	0	46,763	2,661	22,852	16,155	893	1,748	182	91,253
3. RESIDENTIAL PROPANE DISTRIBUTION (908F)									
A. ACTUAL	0	130	688	0	0	175	4	0	997
B. ESTIMATED	0	0	344	0	0	88	0	0	432
C. TOTAL	0	130	1,032	0	0	263	4	0	1,429
4. RESIDENTIAL APPLIANCE RETENTION (908G)									
A. ACTUAL	0	51,624	1,685	6,738	14,150	595	4,475	1,567	80,834
B. ESTIMATED	0	25,812	843	10,000	7,075	298	2,238	0	46,265
C. TOTAL	0	77,436	2,528	16,738	21,225	893	6,713	1,567	127,098
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES (908D)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
6. GAS SPACE CONDITIONING (908B)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
7. EDUCATION (908A)									
A. ACTUAL	0	31,717	2,555	9,070	0	1,514	2,394	100	47,350
B. ESTIMATED	0	15,859	1,278	4,535	0	757	1,197	50	23,675
C. TOTAL	0	47,576	3,833	13,605	0	2,271	3,591	150	71,025
8 COMMON COST									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL COSTS	0	372,588	14,890	133,732	383,868	5,211	29,314	6,696	946,298



CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
FOR PERIOD: JANUARY 2007 THROUGH DECEMBER 2007  
EIGHT MONTHS ACTUAL AND FOUR MONTHS PROJECTED

DESCRIPTION	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
1. RES. NEW CONSTRUCTION	38,475	45,729	48,632	45,932	82,859	86,936	34,037	24,396	62,124	62,124	62,124	62,123	655,491
2. RES. APPLIANCE REPLACEMENT	7,318	5,353	5,648	7,490	7,778	4,165	9,914	6,503	9,271	9,271	9,271	9,272	91,254
3. RES PROPANE DISTRIBUTION	175	152	(18)	680	8	0	0	0	108	108	108	108	1,428
4. RES. APPLIANCE RETENTION	10,466	6,559	9,518	8,739	14,836	8,266	12,500	9,949	11,566	11,566	11,566	11,566	127,098
5. NG SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
6. GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
7. EDUCATION	5,341	5,247	7,963	8,603	6,626	4,139	5,466	3,968	5,919	5,919	5,919	5,919	71,026
8. COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>61,775</b>	<b>63,039</b>	<b>71,743</b>	<b>71,444</b>	<b>112,107</b>	<b>103,506</b>	<b>61,917</b>	<b>44,816</b>	<b>88,988</b>	<b>88,988</b>	<b>88,988</b>	<b>88,988</b>	<b>946,298</b>
LESS:													
BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RECOVERABLE</b>	<b>61,775</b>	<b>63,039</b>	<b>71,743</b>	<b>71,444</b>	<b>112,107</b>	<b>103,506</b>	<b>61,917</b>	<b>44,816</b>	<b>88,988</b>	<b>88,988</b>	<b>88,988</b>	<b>88,988</b>	<b>946,298</b>

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR PERIOD: JANUARY 2007 THROUGH DECEMBER 2007  
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

CONSERVATION REVS	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007 #	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
1. RCS AUDIT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROG. REVS.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS.	(128,077)	(140,564)	(131,563)	(132,100)	(109,259)	(92,424)	(79,215)	(84,057)	(85,000)	(88,000)	(92,000)	(100,000)	(1,262,259)
4. TOTAL REVENUES	(128,077)	(140,564)	(131,563)	(132,100)	(109,259)	(92,424)	(79,215)	(84,057)	(85,000)	(88,000)	(92,000)	(100,000)	(1,262,259)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(813)	(812)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(813)	(9,754)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(128,890)	(141,376)	(132,376)	(132,913)	(110,072)	(93,237)	(80,028)	(84,870)	(85,813)	(88,813)	(92,813)	(100,813)	(1,272,013)
7. CONSERV. EXPS.	61,775	63,039	71,743	71,444	112,107	103,506	61,917	44,816	88,988	88,988	88,988	88,988	946,299
8. TRUE-UP THIS PERIOD	(67,115)	(78,337)	(60,633)	(61,469)	2,035	10,269	(18,111)	(40,054)	3,176	176	(3,824)	(11,825)	(325,713)
9. INTER. PROVISION THIS PERIOD	(188)	(504)	(807)	(1,075)	(1,206)	(1,183)	(1,200)	(1,372)	(1,509)	(1,504)	(1,516)	(1,556)	(13,622)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(9,754)	(76,244)	(154,272)	(214,900)	(276,630)	(274,989)	(265,091)	(283,589)	(324,203)	(321,723)	(322,239)	(326,767)	(9,754)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	813	813	813	813	813	813	813	813	813	813	813	813	9,754
12. TOTAL NET TRUE-UP	(76,244)	(154,272)	(214,900)	(276,630)	(274,989)	(265,091)	(283,589)	(324,203)	(321,723)	(322,239)	(326,767)	(339,335)	(339,335)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD: JANUARY 2007 THROUGH DECEMBER 2007  
EIGHT MONTHS ACTUAL AND FOUR MONTHS PROJECTED

INTEREST PROVISION	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007 2	JUL 2007	AUG 2007 #	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
1. BEGINNING TRUE-UP	(9,754)	(76,244)	(154,272)	(214,900)	(276,630)	(274,989)	(265,091)	(283,589)	(324,203)	(321,723)	(322,239)	(326,767)	
2. ENDING TRUE-UP BEFORE INTEREST	(76,056)	(153,768)	(214,092)	(275,556)	(273,783)	(263,908)	(282,389)	(322,831)	(320,214)	(320,735)	(325,251)	(337,779)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(85,810)	(230,012)	(368,365)	(490,455)	(550,413)	(538,897)	(547,480)	(606,420)	(644,417)	(642,458)	(647,490)	(664,546)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(42,905)	(115,006)	(184,182)	(245,228)	(275,207)	(269,448)	(273,740)	(303,210)	(322,208)	(321,229)	(323,745)	(332,273)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	5.62%	
7. TOTAL (SUM LINES 5 & 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.86%	11.24%	11.24%	11.24%	11.24%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.43%	5.62%	5.62%	5.62%	5.62%	
9. MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.45%	0.47%	0.47%	0.47%	0.47%	
10. INTEREST PROVISION	(188)	(504)	(807)	(1,075)	(1,206)	(1,183)	(1,200)	(1,372)	(1,509)	(1,504)	(1,516)	(1,556)	(13,622)

Schedule C-4  
Page 1 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential New Construction Program

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:  
Conservation allowances are currently:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Activity and Projections:  
During the eight-month period January through August 2007, 465 residences qualified under the Residential New Construction Program. We estimate 287 new homes will qualify during the period September through December 2007.

Program Fiscal Expenditures:  
For the eight-month period January through August 2007, CUC incurred costs of \$406,995 for the Residential New Construction Program. For September through December 2007, costs are estimated to be \$248,498.

Schedule C-4  
Page 2 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowance:

Conservation allowances are currently:

\$525	Gas Storage Tank Water Heating
\$525	Gas Tankless Water Heating
\$625	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:

During the eight-month period January through August 2007, 33 residences qualified under the Residential Appliance Replacement Program. We estimate an additional 17 residences will qualify for incentives during the period September through December 2007.

Program Fiscal Expenditures:

For the eight-month period January through August 2007, CUC incurred costs of \$54,169 for the Residential Appliance Replacement Program. During September through December 2007 costs are estimated to be \$37,085.

Schedule C-4  
Page 3 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Propane Distribution Program

Program Description:  
The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:  
Conservation allowances are currently:

\$275	Energy efficient natural gas water heater installation.
\$275	Natural Gas home heating.
\$75	Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:  
During this year we intend to distribute promotional materials aimed at the builder market in order to educate and inform as to the values of a propane distribution system.

Program Fiscal Expenditures:  
For the eight-month period January through August 2007, CUC incurred costs of \$997 for the Residential Propane Distribution Program. During September through December 2007 costs are estimated to be \$432.

Schedule C-4  
Page 4 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Appliance Retention Program

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:  
Conservation allowances are currently:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
For the eight-month period January through August 2007, CUC paid allowances on 70 appliances. We estimate we will pay allowances on 35 additional appliances during the period of September through December 2007.

Program Fiscal Expenditures:  
For the eight-month period January through August 2007, CUC incurred program costs of \$80,834 for this program. For September through December 2007, expenditures totaling \$46,265 are anticipated.

Schedule C-4  
Page 5 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Activity and Projections:

For the eight-month period January through August 2007, CUC didn't pay any allowances on this program. Minimal activity is projected in this program for the remainder of 2007.

Program Fiscal Expenditures:

For the eight-month period January through August 2007, CUC incurred zero program costs for the Natural Gas Space Conditioning for Residential Homes Program. No costs are estimated for the period September through December 2007.

Schedule C-4  
Page 6 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Gas Space Conditioning Program

Program Description:  
The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Activity and Projections:  
For the eight-month period January through August 2007, CUC didn't pay any allowances on this program.

Program Fiscal Expenditures:  
For the eight-month period January through August 2007, CUC incurred zero costs for the Gas Space Conditioning Program. No costs are estimated for September through December 2007.

Schedule C-4  
Page 7 of 7

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's overall energy cost.

Program Activity and Projections:

We have created community outreach programs designed to inform and educate the general public as well as business interest in the communities we serve as to the value of natural gas and the availability of our conservation allowance programs. Examples of these types of programs: energy plus home builders program, energy plus partners program, appliance retention programs, and energy smart kids.

Program Fiscal Expenditures:

During the eight-month period January through August 2007, CUC incurred program costs of \$47,350 for this program. For September through December 2007, expenditures are estimated to be \$23,675 for this program.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Division of Chesapeake Utilities, as well as the Direct Testimony and Exhibit of Brian Bilinski, has been furnished by U.S. Mail to the following parties of record this 13<sup>th</sup> day of September, 2007:

Florida Public Utilities Company John T. English/Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Thomas A. Geoffroy Florida Division of Chesapeake Utilities P.O. Box 960 Winter Haven, FL 33882-0960
Florida City Gas Jay Sutton 955 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Paula K. Brown/Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/Melvin Williams Ten Peachtree Place Location 1470 Atlanta, GA 30309
	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

  
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ADJUSTED NET TRUE UP  
JANUARY 2006 THROUGH DECEMBER 2006

END OF PERIOD NET TRUE-UP

PRINCIPLE	(939,218)	
INTEREST	(55,094)	(994,312)

LESS PROJECTED TRUE-UP

PRINCIPLE	(795,002)	
INTEREST	(24,209)	(819,211)

ADJUSTED NET TRUE-UP (175,101)

( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070004-GU EXHIBIT 4  
COMPANY FCG  
WITNESS Ramiro Sicre (RS-1)  
DATE 11-06-07

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
JANUARY 2006 THROUGH DECEMBER 2006

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	536,527	613,401	(76,874)
MATERIALS & SUPPLIES	-	-	-
ADVERTISING	567,137	398,143	168,994
INCENTIVES	1,067,296	1,534,713	(467,417)
OUTSIDE SERVICES	-	80,599	(80,599)
VEHICLES	-	9,388	(9,388)
OTHER	<u>6,000</u>	<u>-</u>	<u>6,000</u>
SUB-TOTAL	2,176,960	2,636,244	(459,284)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	2,176,960	2,636,244	(459,284)
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(3,116,178)	(3,431,246)	315,068
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	(939,218)	(795,002)	(144,216)
INTEREST PROVISION	(55,094)	(24,209)	(30,885)
END OF PERIOD TRUE-UP	<u>(994,312)</u>	<u>(819,211)</u>	<u>(175,101)</u>

( ) REFLECTS OVER-RECOVERY

\*\*\* Eight months actual and four months projected (Jan-Dec'2006)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	111,084	-	-	850,573	-	-	-	961,657
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	808	-	-	58,500	-	-	-	59,308
PROGRAM 3: ELECTRIC REPLACEMENT	-	144,624	-	552,134	108,558	-	-	-	805,316
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	525	-	-	-	525
PROGRAM 7: WATER HEATER RETENTION	-	1,186	-	-	21,575	-	-	-	22,761
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	17,669	-	-	-	-	-	-	17,669
PROGRAM 9: COMM/IND CONVERSION	-	208,064	-	-	26,148	-	-	-	234,212
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	18,296	-	-	1,417	-	-	-	19,713
COMMON COSTS	-	34,796	-	15,003	-	-	-	6,000	55,799
TOTAL TOTAL OF ALL PROGRAMS	-	536,527	-	567,137	1,067,296	-	-	6,000	2,176,960

CITY GAS COMPANY OF FLORIDA  
PROJECTED CONSERVATION COSTS PER PROGRAM  
JANUARY 2006 THROUGH DECEMBER 2006  
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDEI	-	138,175	-	12,000	1,280,682	-	2,982	-	1,433,839
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	9,060	-	-	70,500	-	256	-	79,816
PROGRAM 3: ELECTRIC REPLACEMENT	-	139,385	-	299,343	106,463	-	1,810	-	547,001
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	1,850	-	-	450	-	51	-	2,351
PROGRAM 7: WATER HEATER RETENTION	-	22,792	-	-	48,075	-	649	-	71,516
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	33,331	-	-	2,400	-	195	-	35,926
PROGRAM 9: COMM/IND CONVERSION	-	216,045	-	1,400	17,143	-	3,240	-	237,828
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	18,713	-	2,400	9,000	-	205	-	30,318
COMMON COSTS	-	34,050	-	83,000	-	80,599	-	-	197,649
TOTAL	-	613,401	-	398,143	1,534,713	80,599	9,388	-	2,636,244

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	(27,091)	-	(12,000)	(430,109)	-	(2,982)	-	(472,182)
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(8,252)	-	-	(12,000)	-	(256)	-	(20,508)
PROGRAM 3: ELECTRIC REPLACEMENT	-	5,239	-	252,791	2,095	-	(1,810)	-	258,315
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	(1,850)	-	-	75	-	(51)	-	(1,826)
PROGRAM 7: WATER HEATER RETENTION	-	(21,606)	-	-	(26,500)	-	(649)	-	(48,755)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	(15,662)	-	-	(2,400)	-	(195)	-	(18,257)
PROGRAM 9: COMM/IND CONVERSION	-	(7,981)	-	(1,400)	9,005	-	(3,240)	-	(3,616)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(417)	-	(2,400)	(7,583)	-	(205)	-	(10,605)
COMMON COSTS	-	746	-	(67,997)	-	(80,599)	-	6,000	(141,850)
TOTAL TOTAL OF ALL PROGRAMS	-	(76,874)	-	168,994	(467,417)	(80,599)	(9,388)	6,000	(459,284)

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY MONTH  
JANUARY 2006 THROUGH DECEMBER 2006

EXPENSES:	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
PROGRAM 1:	70,082	92,165	131,493	146,877	158,675	57,656	27,207	64,448	72,794	63,744	43,552	32,964	961,657
PROGRAM 2:	-	7,200	381	381	-	46	51,300	-	-	-	-	-	59,308
PROGRAM 3:	31,568	59,646	50,411	62,908	71,893	60,460	132,664	23,180	60,495	78,144	58,600	115,348	805,317
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	100	-	175	2,535	50	-	75	(2,535)	-	-	525
PROGRAM 7:	4,137	515	3,104	2,000	850	838	400	900	850	2,850	800	5,516	22,760
PROGRAM 8:	11,996	10,565	-	-	2,250	1,190	-	250	-	-	-	(8,583)	17,668
PROGRAM 9:	4,672	6,135	22,582	9,839	25,332	25,117	19,039	12,120	24,502	21,952	17,370	45,552	234,212
PROGRAM 10:	1,347	1,655	2,175	775	1,868	2,273	1,644	1,891	1,151	1,480	1,233	2,221	19,713
COMMON COSTS	7,027	3,551	24,840	2,114	3,591	4,144	1,612	1,032	18,099	(19,867)	2,364	7,293	55,800
TOTAL	130,829	181,557	235,086	224,894	264,634	154,259	233,916	103,821	177,966	145,768	123,919	200,311	2,176,960
LESS: 2005 Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	130,829	181,557	235,086	224,894	264,634	154,259	233,916	103,821	177,966	145,768	123,919	200,311	2,176,960

SCHEDULE CT-2  
PROJECTED CONSERVATION COSTS PER MONTH  
JANUARY 2006 THROUGH DECEMBER 2006  
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
PROGRAM 1:	70,082	92,165	131,493	146,877	158,675	57,656	27,207	64,448	171,703	170,385	171,179	171,972	1,433,842
PROGRAM 2:	-	7,200	381	381	-	46	51,300	-	5,173	5,018	5,112	5,205	79,816
PROGRAM 3:	31,568	59,646	48,293	44,817	59,161	43,252	118,749	23,180	29,814	28,871	29,510	30,150	547,011
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	100	-	175	-	50	-	485	451	471	493	2,350
PROGRAM 7:	4,137	515	3,104	2,000	850	838	400	900	14,800	14,407	14,657	14,906	71,514
PROGRAM 8:	11,996	10,565	-	-	2,250	1,190	-	250	2,458	2,325	2,405	2,485	35,924
PROGRAM 9:	4,672	6,135	22,582	9,839	25,332	25,117	19,039	12,120	29,081	26,630	27,736	29,543	237,826
PROGRAM 10:	1,347	1,655	2,175	775	1,868	2,273	1,644	1,891	11,544	1,258	1,315	2,573	30,318
COMMON COSTS	7,027	3,551	26,958	20,205	16,323	23,887	15,527	1,032	20,837	20,664	20,768	20,871	197,650
TOTAL	130,829	181,557	235,086	224,894	264,634	154,259	233,916	103,821	285,895	270,009	273,153	278,198	2,636,251
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	130,829	181,557	235,086	224,894	264,634	154,259	233,916	103,821	285,895	270,009	273,153	278,198	2,636,251

SCHEDULE CT-2  
SUMMARY OF EXPENSES BY PROGRAM  
VARIANCE ACTUAL VERSUS PROJECTED  
JANUARY 2006 THROUGH DECEMBER 2006

EXPENSES:	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
PROGRAM 1:	-	-	-	-	-	-	-	-	(98,909)	(106,641)	(127,627)	(139,008)	(472,185)
PROGRAM 2:	-	-	-	-	-	-	-	-	(5,173)	(5,018)	(5,112)	(5,205)	(20,508)
PROGRAM 3:	-	-	2,118	18,091	12,732	17,208	13,915	-	30,681	49,273	29,090	85,198	258,306
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	-	-	-	2,535	-	-	(410)	(2,986)	(471)	(493)	(1,825)
PROGRAM 7:	-	-	-	-	-	-	-	-	(13,950)	(11,557)	(13,857)	(9,390)	(48,754)
PROGRAM 8:	-	-	-	-	-	-	-	-	(2,458)	(2,325)	(2,405)	(11,068)	(18,256)
PROGRAM 9:	-	-	-	-	-	-	-	-	(4,579)	(4,678)	(10,366)	16,009	(3,614)
PROGRAM 10:	-	-	-	-	-	-	-	-	(10,393)	222	(82)	(352)	(10,605)
COMMON COSTS:	-	-	(2,118)	(18,091)	(12,732)	(19,743)	(13,915)	-	(2,738)	(40,531)	(18,404)	(13,578)	(141,850)
TOTAL	-	-	-	-	-	-	-	-	(107,929)	(124,241)	(149,234)	(77,887)	(459,291)
LESS: 2005 Audit Adjustments:	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	-	-	-	-	-	(107,929)	(124,241)	(149,234)	(77,887)	(459,291)

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2006 THROUGH DECEMBER 2006

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(203,682)	(192,924)	(198,366)	(156,733)	(149,223)	(147,223)	(137,317)	(133,182)	(133,149)	(138,125)	(152,150)	(177,355)	(1,919,429)
4 TOTAL REVENUES	(203,682)	(192,924)	(198,366)	(156,733)	(149,223)	(147,223)	(137,317)	(133,182)	(133,149)	(138,125)	(152,150)	(177,355)	(1,919,429)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,729)	(99,730)	(1,196,749)
6 CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(303,411)	(292,653)	(298,095)	(256,462)	(248,952)	(246,952)	(237,046)	(232,911)	(232,878)	(237,854)	(251,879)	(277,085)	(3,116,178)
7 CONSERVATION EXPENSES (FROM CT-3, PAGE 1)	130,829	181,557	235,086	224,894	264,634	154,259	233,916	103,821	177,966	145,768	123,919	200,311	2,176,960
8 TRUE-UP THIS PERIOD	(172,582)	(111,096)	(63,009)	(31,568)	15,682	(92,693)	(3,130)	(129,090)	(54,912)	(92,086)	(127,960)	(76,774)	(939,218)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(4,527)	(4,821)	(4,934)	(4,969)	(4,726)	(4,640)	(4,588)	(4,451)	(4,395)	(4,299)	(4,359)	(4,385)	(55,094)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(1,196,749)	(1,274,129)	(1,290,316)	(1,258,531)	(1,195,339)	(1,084,654)	(1,082,258)	(990,247)	(1,024,059)	(983,636)	(980,292)	(1,012,882)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	99,729	99,729	99,729	99,729	99,729	99,729	99,729	99,729	99,729	99,729	99,729	99,730	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(1,274,129)	(1,290,316)	(1,258,531)	(1,195,339)	(1,084,654)	(1,082,258)	(990,247)	(1,024,059)	(983,636)	(980,292)	(1,012,882)	(994,312)	(994,312)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2006 THROUGH DECEMBER 2006

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
1. INTEREST PROVISION													
BEGINNING TRUE-UP	(1,196,749)	(1,274,129)	(1,290,316)	(1,258,531)	(1,195,339)	(1,084,654)	(1,082,258)	(990,247)	(1,024,059)	(983,636)	(980,292)	(1,012,882)	
2. ENDING TRUE-UP BEFORE INTEREST	(1,269,602)	(1,285,496)	(1,253,596)	(1,190,370)	(1,079,928)	(1,077,618)	(985,659)	(1,019,608)	(979,242)	(975,993)	(1,008,523)	(989,926)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(2,466,351)	(2,559,625)	(2,543,913)	(2,448,900)	(2,275,267)	(2,162,271)	(2,067,916)	(2,009,854)	(2,003,300)	(1,959,630)	(1,988,816)	(2,002,808)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(1,233,176)	(1,279,812)	(1,271,956)	(1,224,450)	(1,137,633)	(1,081,136)	(1,033,958)	(1,004,927)	(1,001,650)	(979,815)	(994,408)	(1,001,404)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.300%	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	5.260%	
7. TOTAL (SUM LINES 5 & 6)	8.810%	9.040%	9.310%	9.740%	9.970%	10.300%	10.650%	10.630%	10.530%	10.530%	10.520%	10.510%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.405%	4.520%	4.655%	4.870%	4.985%	5.150%	5.325%	5.315%	5.265%	5.265%	5.260%	5.255%	
9. MONTHLY AVG 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 4 TIMES LINE 9)	(4,527)	(4,821)	(4,934)	(4,969)	(4,726)	(4,640)	(4,588)	(4,451)	(4,395)	(4,299)	(4,359)	(4,385)	(55,094)
10. a. INT. ADJ													

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070004-04 EXHIBIT 5

COMPANY FCG

WITNESS Carolyn Bermudez (CB-1)

DATE 11-06-07

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: JANUARY 2008 THROUGH DECEMBER 2008  
 ACTUAL/ESTIMATED PERIOD: JANUARY 2007 THROUGH DECEMBER 2007  
 FINAL TRUE-UP PERIOD: JANUARY 2006 THROUGH DECEMBER 2006  
 COLLECTION PERIOD FOR PRIOR TRUE-UP: JANUARY 2006 THROUGH DECEMBER 2006

- 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) \$ 2,236,897
- 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 12) \$ (704,942)
- 3. TOTAL (LINE 1 AND 2) \$ 1,531,955

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	DEMAND CHARGE	TOTAL CUST. & ENERGY CHG REVENUES	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERVATION FACTOR
GS-1, GS-100, GS-220 (Sales & Transportation)	98,687	19,063,763	\$ 11,600,364	\$ 9,668,609	\$ -	\$ 21,268,973	\$ 830,350	3.9040%	\$ 0.04356	1.00503	\$ 0.04378
GS-600 (Sales & Transportation)	1,262	1,125,241	\$ 181,728	\$ 491,314	\$ -	\$ 673,042	\$ 26,276	3.9040%	\$ 0.02335	1.00503	\$ 0.02347
GS-1200 (Sales & Transportation)	2,455	6,277,040	\$ 441,900	\$ 1,990,763	\$ -	\$ 2,432,663	\$ 94,972	3.9040%	\$ 0.01513	1.00503	\$ 0.01521
GS-6k (Sales & Transportation)	1,893	19,851,724	\$ 681,480	\$ 5,456,643	\$ -	\$ 6,138,123	\$ 239,635	3.9040%	\$ 0.01207	1.00503	\$ 0.01213
GS-25000 (Sales & Transportation)	305	11,133,345	\$ 292,800	\$ 3,074,807	\$ -	\$ 3,367,607	\$ 131,473	3.9040%	\$ 0.01181	1.00503	\$ 0.01187
GS-60000 (Sales & Transportation)	64	5,692,580	\$ 115,200	\$ 1,564,150	\$ -	\$ 1,679,350	\$ 65,563	3.9040%	\$ 0.01152	1.00503	\$ 0.01158
Gas Lights	221	22,800	\$ -	\$ 13,574	\$ -	\$ 13,574	\$ 530	3.9040%	\$ 0.02324	1.00503	\$ 0.02336
GS-120000 (Sales & Transportation)	48	8,747,200	\$ 144,000	\$ 1,581,843	\$ 161,093	\$ 1,886,936	\$ 73,667	3.9040%	\$ 0.00842	1.00503	\$ 0.00846
GS-250000 (Sales & Transportation)	20	8,802,400	\$ 72,000	\$ 1,513,221	\$ 194,700	\$ 1,779,921	\$ 69,489	3.9040%	\$ 0.00789	1.00503	\$ 0.00793
<b>TOTAL</b>	<u>104,955</u>	<u>80,716,093</u>	<u>\$ 13,529,472</u>	<u>\$ 25,354,924</u>	<u>\$ 355,793</u>	<u>\$ 39,240,189</u>	<u>\$ 1,531,955</u>				

PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
1. RESIDENTIAL BUILDER	\$ 35,106	\$ 35,370	\$ 35,635	\$ 36,254	\$ 36,526	\$ 36,800	\$ 37,076	\$ 37,354	\$ 37,634	\$ 37,916	\$ 38,200	\$ 38,487	\$ 442,358
2. MULTI-FAMILY RESIDENTIAL BLDR	35,000	-	-	35,262	-	-	35,527	-	-	35,793	-	-	\$ 141,582
3. APPLIANCE REPLACEMENT	59,635	59,820	60,005	60,563	60,755	60,949	61,143	61,338	61,536	61,735	61,936	62,137	\$ 731,552
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
6. RES PROPANE CONVERSION	160	161	162	163	164	165	166	167	168	169	170	171	\$ 1,986
7. RES WATER HEATER RETENTION	32,000	32,240	32,482	32,726	32,971	33,218	33,467	33,718	33,971	34,226	34,483	34,742	\$ 400,244
8. RES CUT AND CAP ALTERNATIVE	471	475	479	496	500	504	508	512	516	520	524	528	\$ 6,033
9. COMM/IND CONVERSION	37,270	30,129	37,776	31,350	39,062	31,822	39,594	32,301	40,133	32,787	40,679	33,281	\$ 426,184
10. COMM/IND ALTERNATIVE TECH.	2,384	2,402	2,420	2,499	2,518	2,537	2,556	2,575	2,595	2,615	2,635	2,655	\$ 30,391
COMMON COSTS	4,435	4,468	4,501	4,654	4,689	4,724	4,759	4,795	4,831	4,867	4,903	4,940	\$ 56,566
<b>TOTAL ALL PROGRAMS</b>	<b>\$ 206,461</b>	<b>\$ 165,065</b>	<b>\$ 173,460</b>	<b>\$ 203,967</b>	<b>\$ 177,185</b>	<b>\$ 170,719</b>	<b>\$ 214,796</b>	<b>\$ 172,760</b>	<b>\$ 181,384</b>	<b>\$ 210,628</b>	<b>\$ 183,530</b>	<b>\$ 176,941</b>	<b>\$ 2,236,896</b>
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>\$ 206,461</b>	<b>\$ 165,065</b>	<b>\$ 173,460</b>	<b>\$ 203,967</b>	<b>\$ 177,185</b>	<b>\$ 170,719</b>	<b>\$ 214,796</b>	<b>\$ 172,760</b>	<b>\$ 181,384</b>	<b>\$ 210,628</b>	<b>\$ 183,530</b>	<b>\$ 176,941</b>	<b>\$ 2,236,896</b>

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER	\$ -	\$ 160,865	\$ -	\$ -	\$ 274,857	\$ -	\$ 6,636	\$ -	\$ 442,358
2. MULTI-FAMILY RESIDENTIAL BLDR	-	-	-	-	141,583	-	-	-	141,583
3. APPLIANCE REPLACEMENT	-	169,670	-	420,000	86,821	48,460	6,600	-	731,551
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	-	-	-	1,986	-	-	-	1,986
7. RES WATER HEATER RETENTION	-	-	-	-	400,244	-	-	-	400,244
8. RES CUT AND CAP ALTERNATIVE	-	6,033	-	-	-	-	-	-	6,033
9. COMM/IND CONVERSION	-	350,636	-	-	45,033	-	30,515	-	426,184
10. COMM/IND ALTERNATIVE TECH. COMMON COSTS	-	27,607	-	-	-	-	2,784	-	30,391
	-	54,796	-	-	-	-	1,770	-	56,566
TOTAL ALL PROGRAMS	-	769,607	-	420,000	950,524	48,460	48,305	-	2,236,896
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENDITURES	\$ -	\$ 769,607	\$ -	\$ 420,000	\$ 950,524	\$ 48,460	\$ 48,305	\$ -	\$ 2,236,896

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL BUILDER									
A. ACTUAL (7 months)	\$ -	\$ 77,085	\$ -	\$ -	\$ 151,529	\$ -	\$ 3,186	\$ -	\$ 231,800
B. ESTIMATED (5 months)	-	45,754	-	-	376,140	-	-	-	421,894
C. TOTAL	-	122,839	-	-	527,669	-	3,186	-	653,694
2. MULTI-FAMILY RESIDENTIAL BLDR									
A. ACTUAL (7 months)	-	-	-	-	139,500	-	-	-	139,500
B. ESTIMATED (5 months)	-	424	-	-	54,902	-	-	-	55,326
C. TOTAL	-	424	-	-	194,402	-	-	-	194,826
3. APPLIANCE REPLACEMENT									
A. ACTUAL (7 months)	-	80,639	-	325,831	45,270	25,375	3,171	-	480,286
B. ESTIMATED (5 months)	-	57,081	-	185,345	45,074	-	-	-	287,500
C. TOTAL	-	137,720	-	511,176	90,344	25,375	3,171	-	767,786
4. DEALER PROGRAM									
A. ACTUAL (7 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS									
A. ACTUAL (7 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (5 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION									
A. ACTUAL (7 months)	-	-	-	-	963	-	-	-	963
B. ESTIMATED (5 months)	-	-	-	-	253	-	-	-	253
C. TOTAL	-	-	-	-	1,216	-	-	-	1,216
SUB-TOTAL	\$ -	\$ 260,983	\$ -	\$ 511,176	\$ 813,631	\$ 25,375	\$ 6,357	\$ -	\$ 1,617,522

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$ -	\$ 260,983	\$ -	\$ 511,176	\$ 813,631	\$ 25,375	\$ 6,357	\$ -	\$ 1,617,522
7. RES WATER HEATER RETENTION									
A. ACTUAL (7 months)	-	-	-	-	115,452	-	-	-	115,452
B. ESTIMATED (5 months)	-	348	-	-	57,738	-	-	-	58,086
C. TOTAL	-	348	-	-	-	-	-	-	173,538
8. RES CUT AND CAP ALTERNATIVE									
A. ACTUAL (7 months)	-	1,824	-	-	200	-	-	-	2,024
B. ESTIMATED (5 months)	-	13,782	-	-	-	-	-	-	13,782
C. TOTAL	-	15,606	-	-	-	-	-	-	15,806
9. COMM/IND CONVERSION									
A. ACTUAL (7 months)	-	164,874	-	-	72,120	-	16,057	-	253,051
B. ESTIMATED (5 months)	-	77,175	-	-	3,795	-	-	-	80,970
C. TOTAL	-	242,049	-	-	-	-	-	-	334,021
10. COMM/IND ALTERNATIVE TECH.									
A. ACTUAL (7 months)	-	12,462	-	-	-	-	1,360	-	13,822
B. ESTIMATED (5 months)	-	8,926	-	-	-	-	-	-	8,926
C. TOTAL	-	21,388	-	-	-	-	-	-	22,748
COMMON COSTS									
A. ACTUAL (7 months)	-	25,306	-	-	-	11,745	838	-	37,889
B. ESTIMATED (5 months)	-	14,331	-	-	-	60,750	-	-	75,081
C. TOTAL	-	39,637	-	-	-	72,495	838	-	112,970
TOTAL	\$ -	\$ 580,011	\$ -	\$ 511,176	\$ 813,631	\$ 97,870	\$ 7,195	\$ -	\$ 2,276,605

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	TOTAL
1. RESIDENTIAL BUILDER	\$ 51,835	\$ 22,690	\$ 18,465	\$ 42,455	\$ 43,949	\$ 23,108	\$ 29,298	\$ 46,230	\$ 93,916	\$ 93,916	\$ 93,916	\$ 93,916	653,694
2. MULTI-FAMILY RESIDENTIAL BLDR	31,500	-	-	121,500	(54,000)	-	40,500	25,650	7,419	7,419	7,419	7,419	194,826
3. APPLIANCE REPLACEMENT	32,557	12,488	80,855	34,362	17,207	220,604	82,213	71,504	53,999	53,999	53,999	53,999	767,786
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	-	-	325	-	-	200	438	25	57	57	57	57	1,216
7. RES WATER HEATER RETENTION	4,050	3,650	7,175	17,810	17,325	38,991	26,450	10,859	11,806	11,806	11,806	11,809	173,537
8. RES CUT AND CAP ALTERNATIVE	200	-	-	-	1,824	-	-	130	3,413	3,413	3,413	3,413	15,806
9. COMM/IND CONVERSION	20,305	23,023	64,160	51,883	50,746	17,469	25,466	16,186	16,196	16,196	16,196	16,196	334,022
10. COMM/IND ALTERNATIVE TECH.	1,442	1,390	1,731	3,494	2,048	1,870	1,847	1,838	1,772	1,772	1,772	1,772	22,748
COMMON COSTS	2,705	2,040	15,954	8,662	2,255	3,272	3,002	12,375	19,989	14,239	14,239	14,239	112,971
TOTAL ALL PROGRAMS	144,594	65,281	188,665	280,166	81,354	305,514	209,214	184,797	208,567	202,817	202,817	202,820	2,276,606
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RECOVERABLE	\$ 144,594	\$ 65,281	\$ 188,665	\$ 280,166	\$ 81,354	\$ 305,514	\$ 209,214	\$ 184,797	\$ 208,567	\$ 202,817	\$ 202,817	\$ 202,820	\$ 2,276,606

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

CONSERVATION REVENUES	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	TOTAL
1. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(104,265)	(160,801)	(164,051)	(132,544)	(114,369)	(107,092)	(99,400)	(133,182)	(215,557)	(205,846)	(221,383)	(277,264)	(1,935,754)
4. TOTAL REVENUES	(104,265)	(160,801)	(164,051)	(132,544)	(114,369)	(107,092)	(99,400)	(133,182)	(215,557)	(205,846)	(221,383)	(277,264)	(1,935,754)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(83,649)	(1,003,789)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(187,914)	(244,450)	(247,700)	(216,193)	(198,018)	(190,741)	(183,049)	(216,831)	(299,206)	(289,495)	(305,032)	(360,913)	(2,939,543)
7. CONSERV. EXPS.	144,594	65,281	188,665	280,166	81,354	305,514	209,214	184,797	208,567	202,817	202,817	202,820	2,276,606
8. TRUE-UP THIS PERIOD	(43,320)	(179,169)	(59,035)	63,973	(116,664)	114,773	26,165	(32,034)	(90,639)	(86,678)	(102,215)	(158,093)	(662,937)
9. INTEREST PROV. THIS PERIOD	(4,308)	(4,448)	(4,623)	(4,266)	(4,034)	(3,689)	(3,037)	(2,702)	(2,616)	(2,649)	(2,709)	(2,925)	(42,005)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(1,003,789)	(967,768)	(1,067,736)	(1,047,745)	(904,389)	(941,437)	(746,704)	(639,927)	(591,014)	(600,620)	(606,299)	(627,573)	
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	83,649	1,003,789
12. TOTAL NET TRUE-UP	\$ (967,768)	\$ (1,067,736)	\$ (1,047,745)	\$ (904,389)	\$ (941,437)	\$ (746,704)	\$ (639,927)	\$ (591,014)	\$ (600,620)	\$ (606,299)	\$ (627,573)	\$ (704,942)	\$ (704,942)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	TOTAL
1. BEGINNING TRUE-UP	\$ (1,003,789)	\$ (967,768)	\$ (1,067,736)	\$ (1,047,745)	\$ (904,389)	\$ (941,437)	\$ (746,704)	\$ (639,927)	\$ (591,014)	\$ (600,620)	\$ (606,299)	\$ (627,573)	
2. ENDING TRUE-UP BEFORE INTEREST	<u>(963,460)</u>	<u>(1,063,288)</u>	<u>(1,043,122)</u>	<u>(900,123)</u>	<u>(937,404)</u>	<u>(743,015)</u>	<u>(636,890)</u>	<u>(588,312)</u>	<u>(598,004)</u>	<u>(603,649)</u>	<u>(624,865)</u>	<u>(702,017)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,967,249)	(2,031,057)	(2,110,859)	(1,947,868)	(1,841,793)	(1,684,453)	(1,383,595)	(1,228,240)	(1,189,019)	(1,204,270)	(1,231,163)	(1,329,591)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	\$ <u>(983,625)</u>	\$ <u>(1,015,528)</u>	\$ <u>(1,055,429)</u>	\$ <u>(973,934)</u>	\$ <u>(920,896)</u>	\$ <u>(842,226)</u>	\$ <u>(691,797)</u>	\$ <u>(614,120)</u>	\$ <u>(594,509)</u>	\$ <u>(602,135)</u>	\$ <u>(615,582)</u>	\$ <u>(664,795)</u>	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	5.260%	5.260%	5.260%	5.260%	5.260%	5.260%	5.260%	5.280%	5.280%	5.280%	5.280%	5.280%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	<u>5.260%</u>	<u>5.260%</u>	<u>5.260%</u>	<u>5.260%</u>	<u>5.260%</u>	<u>5.260%</u>	<u>5.280%</u>	<u>5.280%</u>	<u>5.280%</u>	<u>5.280%</u>	<u>5.280%</u>	<u>5.280%</u>	
7. TOTAL (SUM LINES 5 & 6)	<u>10.520%</u>	<u>10.520%</u>	<u>10.520%</u>	<u>10.520%</u>	<u>10.520%</u>	<u>10.520%</u>	<u>10.540%</u>	<u>10.560%</u>	<u>10.560%</u>	<u>10.560%</u>	<u>10.560%</u>	<u>10.560%</u>	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	5.260%	5.260%	5.260%	5.260%	5.260%	5.260%	5.270%	5.280%	5.280%	5.280%	5.280%	5.280%	
9. MONTHLY AVG INTEREST RATE	0.438%	0.438%	0.438%	0.438%	0.438%	0.438%	0.439%	0.440%	0.440%	0.440%	0.440%	0.440%	
10. INTEREST PROVISION	\$ <u>(4,308)</u>	\$ <u>(4,448)</u>	\$ <u>(4,623)</u>	\$ <u>(4,266)</u>	\$ <u>(4,034)</u>	\$ <u>(3,689)</u>	\$ <u>(3,037)</u>	\$ <u>(2,702)</u>	\$ <u>(2,616)</u>	\$ <u>(2,649)</u>	\$ <u>(2,709)</u>	\$ <u>(2,925)</u>	\$ <u>(42,005)</u>

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL BUILDER - PROGRAM 1

**DESCRIPTION:** The Residential Builder Program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy-efficient natural gas appliances in residences that would qualify for the RS rates. The program offers builders and developers incentives in the form of cash allowances to assist in defraying the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas Tankless Water Heating .....	450
Gas Heating .....	350
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$231,800

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5**  
**PROGRAM PROGRESS REPORT**

**NAME:** MULTI-FAMILY RESIDENTIAL BUILDER - PROGRAM 2

**DESCRIPTION:** The Multi-Family Residential Builder Program is designed to increase overall energy efficiency in the multi-family new construction market by promoting energy-efficient natural gas in multi-unit residences qualifying for the Company's CS rates.

**PROGRAM ALLOWANCES:**

See Program Summary

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program ended in February 2007 - Multi-Family developments are included in the Residential New Construction Program.

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM 3

**DESCRIPTION:** The Residential Appliance Replacement Program is designed to promote the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. The Program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$525
Gas Tankless Water Heating .....	525
Gas Heating .....	625
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$480.286

**CITY GAS COMPANY OF FLORIDA**  
**Schedule C-5**  
**PROGRAM PROGRESS REPORT**

**NAME:** DEALER - PROGRAM 4

**DESCRIPTION:** The Dealer Program is designed to encourage the replacement of non-gas appliances with energy efficient natural gas appliances through appliance dealers and contractors. The program offers incentives to the dealers and contractors.

**PROGRAM ALLOWANCES:**

Furnace .....  
Water Heater .....  
Range .....  
Dryer .....

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

This program was discontinued in February 1998 with Order #PSC-98-0154-GOF-GU granting the new programs.

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5**  
**PROGRAM PROGRESS REPORT**

**NAME:** GAS APPLIANCES IN SCHOOLS - PROGRAM 5

**DESCRIPTION:** The Gas Appliances in Schools Program is designed to promote natural gas appliances where cost-efficient, in Home Economic Departments in schools located in our Company's service area. The program provides teaching assistance on energy conservation and on the use, care, and safety of natural gas appliances through a Company-employed home economist.

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$0.

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL PROPANE CONVERSION - PROGRAM 6

**DESCRIPTION:** The Residential Propane Conversion Program is designed to promote the conversion of existing residential propane appliances to utilize efficient natural gas. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the conversion of their existing propane appliances to utilize natural gas.

**PROGRAM ALLOWANCES:**

Furnace .....	\$200
Water Heater .....	100
Dryer .....	50
Range .....	25

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$963

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL WATER HEATER RETENTION - PROGRAM 7

**DESCRIPTION:** The Residential Water Heater Retention Program is designed to promote the retention of energy efficient natural gas water heaters in existing residential structures. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas Tankless Water Heating .....	450
Gas Heating .....	350
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$115,452

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5**

**PROGRAM PROGRESS REPORT**

**NAME:** RESIDENTIAL CUT AND CAP - PROGRAM 8

**DESCRIPTION:** The Residential Cut and Cap Program is designed to encourage the re-activation of existing residential service lines that are scheduled to be cut off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and/or lease and the installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Service re-activation..... \$200

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$2,024

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** COMMERCIAL/INDUSTRIAL CONVERSION - PROGRAM 9

**DESCRIPTION:** The Commercial/Industrial Conversion Program is designed to promote the conversion of commercial and industrial inefficient non-gas equipment to energy efficient natural gas. The program offers incentives in the form of cash allowances to existing commercial and industrial businesses located in existing structures, to assist in defraying the incremental first costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

**PROGRAM ALLOWANCES:**

Per 100,000 BTU input rating..... \$75

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$253,051

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** COMMERCIAL/INDUSTRIAL ALTERNATIVE TECHNOLOGY INCENTIVE - PROGRAM 10

**DESCRIPTION:** The Commercial/Industrial Alternative Technology Incentive Program (ATI) is designed to encourage commercial and industrial business owners to install alternate technologies that utilize natural gas that are not covered by one of the other City Gas Energy Conservation Programs, but which cost-effectively reduce the total utility expense of the business. The program offers incentives based on the cost-effectiveness under a life-cycle analysis utilizing a computerized energy consumption simulation model.

**PROGRAM ALLOWANCES:**

Payback period of three years subject to a maximum incentive of three times the projected incremental annualized margin.

**REPORTING PERIOD:** January 2007 through July 2007

**PROGRAM SUMMARY:**

Program costs for the period were \$13,822

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the Prepared Direct Testimony and Exhibits of Carolyn Bermudez has been furnished by U.S. Mail to the following parties of record this 13<sup>th</sup> day of September, 2007:

Florida Public Utilities Company John T. English/Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Thomas A. Geoffroy Florida Division of Chesapeake Utilities P.O. Box 960 Winter Haven, FL 33882-0960
Florida City Gas Jay Sutton 955 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Paula K. Brown/Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/Melvin Williams Ten Peachtree Place Location 1470 Atlanta, GA 30309
	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

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>(232,899)</u>

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 070004-GU  
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**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070004-GU EXHIBIT 6

COMPANY FPUC

WITNESS Marc S. Seagrave (MSS-1)

DATE 11-06-07

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2  
PAGE 2 OF 3

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 Reactivation 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
<b>TOTAL ALL PROGRAMS</b>	<b>273,136</b>	<b>764,404</b>	<b>3,639</b>	<b>34,949</b>	<b>18,681</b>	<b>23,534</b>	<b>8,971</b>	<b>37,973</b>	<b>850,176</b>	<b>17,241</b>	<b>2,032,704</b>		<b>2,032,704</b>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2  
PAGE 3 OF 3

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)
<b>TOTAL ALL PROGRAMS</b>	<b>(109,395)</b>	<b>16,155</b>		<b>(23,181)</b>	<b>928</b>	<b>(21,788)</b>	<b>(3,852)</b>	<b>(2,503)</b>	<b>(280,576)</b>	<b>11,958</b>	<b>(412,254)</b>		<b>(412,254)</b>

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3  
PAGE 1 OF 3

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

EXHIBIT NO. \_\_\_\_\_  
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 2 OF 3

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)

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 070004-GU  
FLORIDA PUBLIC UTILITIES COMPANY  
(MSS-1)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 FOR MONTHS January-06 THROUGH December-06

SCHEDULE CT-3  
 PAGE 3 OF 3

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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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4  
PAGE 1 OF 1

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

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 070004-GU  
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5  
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF  
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-06 THROUGH December-06

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. \_\_\_\_\_  
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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 29<sup>th</sup>, 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 1<sup>st</sup> 2000. From the inception of this program through December 31<sup>st</sup>, 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 31<sup>st</sup> 2006 FPUC has connected 10 space conditioning projects to its natural gas system.

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-08 THROUGH December-08

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>552,000</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(26,381)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>525,619</u>
4.	RETAIL KWH/THERM SALES	<u>780,004,211</u>
5.	COST PER KWH/THERM	<u>0.00067387</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00067400</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u>0.067</u>

EXHIBIT NO. \_\_\_\_\_  
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**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070004-64 EXHIBIT 7

COMPANY FPUC

WITNESS Marc S. Seagrave (MSS-2)

DATE 11-06-07

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-08 THROUGH December-08

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
10 Common	15,960	15,990	15,990	15,990	15,990	15,990	15,990	15,990	15,990	15,990	15,990	15,990	191,850
11 Residential Geothermal Heat Pump	100	100	100	100	100	100	100	100	100	100	100	100	1,200
12 GoodCents Home/Energy Star	11,200	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	133,850
13 GoodCents Energy Survey Program	10,060	10,090	10,090	10,090	10,090	10,090	10,090	10,090	10,090	10,090	10,090	10,090	121,050
14 Good Cents Loan Program (Discontinued)	0	0	0	0	0	0	0	0	0	0	0	0	0
15 GoodCents Commercial Building	2,750	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	33,550
16 GoodCents Commercial Tech. Assistance	2,800	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	34,150
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	1,230	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	15,200
20 GoodCents Ceiling Insulation upgrade Program	700	650	650	650	650	650	650	650	650	650	650	650	7,850
21 GoodCents Commercial Indoor Lighting Rebate	910	890	890	890	890	890	890	890	890	890	890	890	10,700
22 Conservation Demonstration & Development	180	220	220	220	220	220	220	220	220	220	220	220	2,600
31. TOTAL ALL PROGRAMS	45,890	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	552,000
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	45,890	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	46,010	552,000

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-08 THROUGH December-08

PROGRAM NAME	LABOR & PAYROLL		ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.		INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
10. Common	125,000	3,100	1,400	2,700	20,500	5,950	200	33,000	0	0	0	0	191,850	0	191,850
11. Residential Geothermal Heat Pump	300	0	0	0	0	900	0	0	0	0	0	0	1,200	0	1,200
12. GoodCents Home/Energy Star	50,200	59,550	0	3,600	950	4,350	5,650	9,550	0	0	0	0	133,850	0	133,850
13. GoodCents Energy Survey Program	44,050	65,750	0	0	0	7,500	2,700	1,050	0	0	0	0	121,050	0	121,050
5. Good Cents Loan Prgram (Discontinued)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15. GoodCents Commercial Building	19,100	14,450	0	0	0	0	0	0	0	0	0	0	33,550	0	33,550
16. GoodCents Commercial Tech. Assistance	22,600	10,750	0	200	0	0	600	0	0	0	0	0	34,150	0	34,150
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	2,250	8,250	0	0	0	0	250	0	4,450	0	0	0	15,200	0	15,200
20. GoodCents Ceiling Insulation upgrade Program	550	7,150	0	0	0	0	150	0	0	0	0	0	7,850	0	7,850
21. GoodCents Commercial Indoor Lighting Rebate	0	10,700	0	0	0	0	0	0	0	0	0	0	10,700	0	10,700
22. Conservation Demonstration & Development	0	2,600	0	0	0	0	0	0	0	0	0	0	2,600	0	2,600
31. TOTAL ALL PROGRAMS	264,050	182,300	1,400	6,500	21,450	18,700	9,550	43,600	4,450	0	0	0	552,000	0	552,000
32. LESS: BASE RATE RECOVERY															
33. NET PROGRAM COSTS	264,050	182,300	1,400	6,500	21,450	18,700	9,550	43,600	4,450	0	0	0	552,000	0	552,000

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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-08 THROUGH December-08

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

EXHIBIT NO. \_\_\_\_\_  
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3  
 PAGE 1 OF 5

PROGRAM NAME	ACTUAL FOR MONTHS	January-07	THROUGH	July-07								SUB	PROGRAM	TOTAL			
	ESTIMATED FOR MONTHS	August-07	THROUGH	December-07	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	TOTAL	REVENUES	TOTAL
10. Common																	
A. ACTUAL		55,686	35,046	754	1,869	8,027	10,786	236	7,184	0	(311)	119,276		119,276			
B. ESTIMATED		48,950	1,250	520	1,040	9,170	2,500	100	12,920	0	0	76,450		76,450			
C. TOTAL		104,636	36,296	1,274	2,909	17,197	13,286	336	20,104	0	(311)	195,726		195,726			
11. Residential Geothermal Heat Pump																	
A. ACTUAL		0	0	0	0	0	0	0	0	0	0	0		0			
B. ESTIMATED		200	0	0	0	0	300	0	0	0	0	500		500			
C. TOTAL		200	0	0	0	0	300	0	0	0	0	500		500			
12. GoodCents Home/Energy Star																	
A. ACTUAL		20,971	6,882	0	0	0	388	1,724	350	0	180	30,494		30,494			
B. ESTIMATED		19,780	23,330	0	1,460	420	1,670	2,290	3,750	0	0	52,700		52,700			
C. TOTAL		40,751	30,212	0	1,460	420	2,058	4,014	4,100	0	180	83,194		83,194			
13. GoodCents Energy Survey Program																	
A. ACTUAL		18,924	24,444	0	0	0	358	1,240	350	0	0	45,317		45,317			
B. ESTIMATED		17,490	25,830	0	0	0	2,920	1,040	420	0	0	47,700		47,700			
C. TOTAL		36,414	50,274	0	0	0	3,278	2,280	770	0	0	93,017		93,017			
14. Good Cents Loan Prgram (Discontinued)																	
A. ACTUAL		0	0	93	0	0	0	0	(80)	0	0	13		13			
B. ESTIMATED		0	0	0	0	0	0	0	0	0	0	0		0			
C. TOTAL		0	0	93	0	0	0	0	(80)	0	0	13		13			
15. GoodCents Commercial Building																	
A. ACTUAL		3,021	18,381	0	0	0	215	0	0	0	0	21,617		21,617			
B. ESTIMATED		7,510	5,740	0	0	0	0	0	0	0	0	13,250		13,250			
C. TOTAL		10,531	24,121	0	0	0	215	0	0	0	0	34,867		34,867			
16. GoodCents Commercial Tech. Assistance																	
A. ACTUAL		3,087	5,538	0	3,499	0	661	0	54	0	150	12,987		12,987			
B. ESTIMATED		8,750	4,170	0	80	0	0	250	0	0	0	13,250		13,250			
C. TOTAL		11,837	9,708	0	3,579	0	661	250	54	0	150	26,237		26,237			
SUB-TOTAL ACTUAL		101,688	90,291	847	5,368	8,027	12,407	3,200	7,858	0	18	229,704		229,704			
SUB-TOTAL ESTIMATED		102,680	60,320	520	2,580	9,590	7,390	3,680	17,090	0	0	203,850		203,850			
LESS: PRIOR YEAR AUDIT ADJ.																	
ACTUAL												0		0			
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  
 PAGE 1A OF 5

PROGRAM NAME	ACTUAL FOR MONTHS	January-07	THROUGH	July-07								SUB	PROGRAM	TOTAL			
	ESTIMATED FOR MONTHS	August-07	THROUGH	December-07	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	1,446	0	0	0	126	1,572	0	1,572
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	1,446	0	0	0	126	1,572	0	1,572
18. Affordable Housing/Builders Program																	
A. ACTUAL		0	0	0	0	0	0	0	0	0	0	100	0	100	0	100	
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	100	0	100	0	100	
19. GoodCents Heating and Cooling Upgrade																	
A. ACTUAL		5,103	200	0	0	0	0	0	26	781	0	10,975	0	17,085	0	17,085	
B. ESTIMATED		830	3,340	0	0	0	0	0	0	100	0	1,680	0	5,950	0	5,950	
C. TOTAL		5,933	3,540	0	0	0	0	0	26	881	0	12,655	0	23,035	0	23,035	
20. GoodCents Ceiling Insulation upgrade Program																	
A. ACTUAL		2,207	(200)	0	0	0	0	0	0	634	0	1,800	0	4,441	0	4,441	
B. ESTIMATED		290	2,510	0	0	0	0	0	0	100	0	0	0	2,900	0	2,900	
C. TOTAL		2,497	2,310	0	0	0	0	0	0	734	0	1,800	0	7,341	0	7,341	
21. GoodCents Commercial Indoor Lighting Rebate																	
A. ACTUAL		1,149	24,902	0	0	0	0	0	0	0	0	0	0	26,051	0	26,051	
B. ESTIMATED		0	4,150	0	0	0	0	0	0	0	0	0	0	4,150	0	4,150	
C. TOTAL		1,149	29,052	0	0	0	0	0	0	0	0	0	0	30,201	0	30,201	
22. Conservation Demonstration & Development																	
A. ACTUAL		0	8,577	0	0	0	0	0	0	0	0	0	0	8,577	0	8,577	
B. ESTIMATED		0	1,050	0	0	0	0	0	0	0	0	0	0	1,050	0	1,050	
C. TOTAL		0	9,627	0	0	0	0	0	0	0	0	0	0	9,627	0	9,627	
TOTAL ACTUAL		110,148	123,770	847	5,368	8,027	13,879	4,614	7,858	12,875	144	287,530	0	287,530	0	287,530	
TOTAL ESTIMATED		103,800	71,370	520	2,580	9,590	7,390	3,880	17,090	1,680	0	217,900	0	217,900	0	217,900	
LESS: PRIOR YEAR AUDIT ADJ.																	
ACTUAL														0			0
ESTIMATED																	
TOTAL																	
NET PROGRAM COSTS		213,948	195,140	1,367	7,948	17,617	21,269	8,494	24,948	14,555	144	505,430	0	505,430	0	505,430	

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3  
 PAGE 2 OF 5

ACTUAL FOR MONTHS      January-07      THROUGH      July-07  
 ESTIMATED FOR MONTHS      August-07      THROUGH      December-07

	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  
 PAGE 3 OF 5

ACTUAL FOR MONTHS January-07 THROUGH July-07  
 ESTIMATED FOR MONTHS August-07 THROUGH December-07

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	13,894	12,012	17,560	36,338	15,240	9,609	14,622	119,276	15,290	15,290	15,290	15,290	15,290	76,450	195,726
11 Residential Geothermal Heat Pump	0	0	0	0	0	0	0	0	100	100	100	100	100	500	500
12 GoodCents Home/Energy Star	5,791	6,380	6,866	4,609	3,066	(1,639)	5,421	30,494	10,540	10,540	10,540	10,540	10,540	52,700	83,194
13 GoodCents Energy Survey Program	4,738	4,716	4,900	4,720	3,104	15,936	7,204	45,317	9,540	9,540	9,540	9,540	9,540	47,700	93,017
14 GoodCents Loan Program (Discontinued)	(10)	(10)	(20)	(10)	83	(10)	(10)	13	0	0	0	0	0	0	13
15 GoodCents Commercial Building	(265)	921	1,208	928	(3)	14,359	4,468	21,617	2,650	2,650	2,650	2,650	2,650	13,250	34,867
16 GoodCents Commercial Tech. Assistance	1,522	2,065	2,229	2,174	1,964	2,757	278	12,987	2,650	2,650	2,650	2,650	2,650	13,250	26,237
17 Low Income	0	0	0	1,179	393	0	0	1,572	0	0	0	0	0	0	1,572
18 Affordable Housing/Builders Program	0	0	0	0	0	0	100	100	0	0	0	0	0	0	100
19 GoodCents Heating and Cooling Upgrade	1,029	1,731	1,651	2,124	3,812	3,169	3,568	17,085	1,190	1,190	1,190	1,190	1,190	5,950	23,035
20 GoodCents Ceiling Insulation upgrade Program	573	363	1,019	344	458	704	980	4,441	580	580	580	580	580	2,900	7,341
21 GoodCents Commercial Indoor Lighting Rebat	0	0	9,726	14,083	17,182	(4,172)	(10,768)	26,051	830	830	830	830	830	4,150	30,201
22 Conservation Demonstration & Development	0	0	0	8,574	4	0	0	8,577	210	210	210	210	210	1,050	9,627
Prior period audit adj.								0							0
31. TOTAL ALL PROGRAMS	27,270	28,178	45,138	75,064	45,304	40,713	25,863	287,530	43,580	43,580	43,580	43,580	43,580	217,900	505,430
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	27,270	28,178	45,138	75,064	45,304	40,713	25,863	287,530	43,580	43,580	43,580	43,580	43,580	217,900	505,430

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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  
PAGE 4 OF 5

	ACTUAL FOR MONTHS	January-07	THROUGH	July-07													
	ESTIMATED FOR MONTHS	August-07	THROUGH	December-07	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)		(39,001)	(39,348)	(35,999)	(34,580)	(35,584)	(40,197)	(49,938)	(46,961)	(46,944)	(42,134)	(37,793)	(36,810)	(485,289)			
3. TOTAL REVENUES		(39,001)	(39,348)	(35,999)	(34,580)	(35,584)	(40,197)	(49,938)	(46,961)	(46,944)	(42,134)	(37,793)	(36,810)	(485,289)			
4. PRIOR PERIOD TRUE-UP--ADJ NOT APPLICABLE TO PERIOD		(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(3,718)	(44,616)			
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		(42,719)	(43,066)	(39,717)	(38,298)	(39,302)	(43,915)	(53,656)	(50,679)	(50,662)	(45,852)	(41,511)	(40,528)	(529,905)			
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)		27,270	28,178	45,138	75,064	45,304	40,713	25,863	43,580	43,580	43,580	43,580	43,580	505,430			
7. TRUE-UP THIS PERIOD		(15,449)	(14,888)	5,421	36,766	6,002	(3,202)	(27,793)	(7,099)	(7,082)	(2,272)	2,069	3,052	(24,475)			
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)		(221)	(272)	(278)	(171)	(61)	(39)	(91)	(151)	(166)	(171)	(156)	(129)	(1,906)			
9. TRUE-UP & INTEREST PROVISION		(44,616)	(56,568)	(68,010)	(59,149)	(18,836)	(9,177)	(8,701)	(32,866)	(36,398)	(39,928)	(38,653)	(33,022)	(44,616)			
10. PRIOR TRUE-UP COLLECTED (REFUNDED)		3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	44,616			
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		(56,568)	(68,010)	(59,149)	(18,836)	(9,177)	(8,701)	(32,866)	(36,398)	(39,928)	(38,653)	(33,022)	(26,381)	(26,381)			

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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  
PAGE 5 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS  
January-07 August-07 THROUGH THROUGH July-07 December-07

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	(44,616)	(56,568)	(68,010)	(59,149)	(18,836)	(9,177)	(8,701)	(32,866)	(36,398)	(39,928)	(38,653)	(33,022)	(26,381)
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	(56,347)	(67,738)	(58,871)	(18,665)	(9,116)	(8,662)	(32,775)	(36,247)	(39,762)	(38,482)	(32,866)	(26,252)	(24,475)
3. TOTAL BEG. AND ENDING TRUE-UP	(100,963)	(124,305)	(126,880)	(77,814)	(27,952)	(17,839)	(41,476)	(69,114)	(76,161)	(78,411)	(71,520)	(59,275)	(50,857)
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	(50,481)	(62,153)	(63,440)	(38,907)	(13,976)	(8,919)	(20,738)	(34,557)	(38,080)	(39,205)	(35,760)	(29,637)	(25,428)
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
7. TOTAL (LINE C-5 + C-6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%
8. AVG INTEREST RATE (C-7 X 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
9. MONTHLY AVERAGE INTEREST RATE	0.439%	0.438%	0.438%	0.438%	0.438%	0.439%	0.438%	0.437%	0.437%	0.437%	0.437%	0.437%	0.437%
10. INTEREST PROVISION (LINE C-4 X C-9)	(221)	(272)	(278)	(171)	(61)	(39)	(91)	(151)	(166)	(171)	(156)	(129)	(1,906)

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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-07 THROUGH December-08

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2007 JANUARY	65,129	39,001	ACTUAL
FEBRUARY	65,912	39,348	ACTUAL
MARCH	60,119	35,999	ACTUAL
APRIL	57,740	34,580	ACTUAL
MAY	59,416	35,584	ACTUAL
JUNE	67,128	40,197	ACTUAL
JULY	83,383	49,938	ACTUAL
AUGUST	76,289	46,961	0.61573
SEPTEMBER	76,241	46,944	0.61573 *
OCTOBER	68,429	42,134	0.61573 *
NOVEMBER	61,379	37,793	0.61573 *
DECEMBER	59,782	36,810	0.61574 *
SUB-TOTAL	<u>800,927</u>	<u>485,289</u>	
2008 JANUARY	69,193	46,627	0.067387
FEBRUARY	67,897	45,753	0.067387
MARCH	63,003	42,456	0.067387
APRIL	51,957	35,012	0.067387
MAY	56,821	38,290	0.067387
JUNE	69,233	46,654	0.067387
JULY	84,921	57,225	0.067387
AUGUST	72,065	48,562	0.067387
SEPTEMBER	74,744	50,367	0.067387
OCTOBER	65,537	44,163	0.067387
NOVEMBER	46,891	31,598	0.067387
DECEMBER	57,744	38,912	0.067387
SUB-TOTAL	<u>780,004</u>	<u>525,619</u>	
TOTALS	<u>1,580,931</u>	<u>1,010,908</u>	

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

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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5  
PAGE 1 OF 12**

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

**EXHIBIT NO. \_\_\_\_\_  
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**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 2008 through December 2008: At this time no participation goals have been set.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008, projected expenses are \$1,200.

**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 2008 through December 2008 the goal for the number of program participants is 83.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$133,850.

**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 2008 through December 2008 the goal for the number of program participants is 405.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$121,050.

**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 2008 through December 2008 the goal for the number of program participants is 13.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$33,550.

**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 2008 through December 2008 the goal for the number of program participants is 45.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$34,150.

**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  
PAGE 7 OF 12**

**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 2008 through December 2008: There are no goals set for this program.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008the 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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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5  
PAGE 8 OF 12**

**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 2008 through December 2008. There is no goal for this program.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 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.

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CONSOLIDATED ELECTRIC DIVISION  
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5  
PAGE 9 OF 12**

**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 2008 through December 2008 the goal for the number of program participants is 64.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$15,200.

**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.

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**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 2008 through December 2008 the goal for the number of program participants is 26.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$7,800.

**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 2008 through December 2008 the goal for the number of program participants is 4.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses are \$10,700.

**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 2008 through December 2008: There are no goals set for this program.

**PROGRAM FISCAL EXPENDITURES:**

For January 2008 through December 2008 the projected expenses for this period are \$2,600.

**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.

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2008 THROUGH DECEMBER 2008

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	2,600,000
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	(524,296)
3. TOTAL (LINE 1 AND LINE 2)	2,075,704

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	575,435	12,813,000	4,603,480	6,193,804	10,797,284	921,845	8.53774%	0.07195	1.00503	0.07231
COMMERCIAL SMALL (General Service & GS Transportation)	42,970	13,651,000	644,550	4,382,927	5,027,477	429,233	8.53774%	0.03144	1.00503	0.03160
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	12,622	33,262,000	567,990	7,919,350	8,487,340	724,626	8.53774%	0.02179	1.00503	0.02190
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	8.53774%	0.02179	1.00503	0.02190
<b>TOTAL</b>	<b>631,027</b>	<b>59,726,000</b>	<b>5,816,020</b>	<b>18,496,080</b>	<b>24,312,100</b>	<b>2,075,704</b>				

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FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1 Full House Residential New Construction	59,583	59,583	59,583	59,583	59,583	59,583	59,583	59,583	59,583	59,583	59,583	59,587	715,000
2 Resid. Appliance Replacement	47,666	47,666	47,666	47,666	47,666	47,666	47,666	47,666	47,666	47,666	47,666	47,674	572,000
3 Conservation Education	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,924	23,000
4 Space Conditioning	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
5 Residential Conservation Service	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	153,000
6 Residential Appliance Retention	54,333	54,333	54,333	54,333	54,333	54,333	54,333	54,333	54,333	54,333	54,333	54,337	652,000
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,837	34,000
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	83	83	83	83	83	83	83	83	83	83	83	87	1,000
14 Common	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	435,000
<b>TOTAL ALL PROGRAMS</b>	<b>216,664</b>	<b>216,696</b>	<b>2,600,000</b>										

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FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	50,000	0	65,000	600,000	0	0	0	715,000
2 Resid. Appliance Replacement	0	7,000	0	215,000	350,000	0	0	0	572,000
3 Conservation Education	0	10,000	0	8,000	0	5,000	0	0	23,000
4 Space Conditioning	0	4,000	0	7,000	0	4,000	0	0	15,000
5 Residential Conservation Service	0	3,000	5,000	145,000	0	0	0	0	153,000
6 Residential Appliance Retention	0	27,000	0	210,000	415,000	0	0	0	652,000
7 Dealer / Contractor	0	0	0	0	0	0	0	0	0
10 Commercial Conservation Service	0	25,000	0	4,000	0	5,000	0	0	34,000
12 Commercial Equipment Repair	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation	0	0	0	1,000	0	0	0	0	1,000
14 Common	0	208,000	12,000	130,000	0	50,000	35,000	0	435,000
<b>PROGRAM COSTS</b>	<u>0</u>	<u>334,000</u>	<u>17,000</u>	<u>785,000</u>	<u>1,365,000</u>	<u>64,000</u>	<u>35,000</u>	<u>0</u>	<u>2,600,000</u>

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2007 THROUGH JULY 2007; ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL	0	18,129	170	26,461	139,346	2,455	90	2,078	188,729
B. ESTIMATED	0	18,750	0	20,834	312,504	0	0	0	352,088
C. TOTAL	0	36,879	170	47,295	451,850	2,455	90	2,078	540,817
2 Resid. Appliance Replacement									
A. ACTUAL	0	31,653	500	316,187	75,981	248	354	0	424,923
B. ESTIMATED	0	2,500	0	83,333	135,417	0	0	0	221,250
C. TOTAL	0	34,153	500	399,520	211,398	248	354	0	646,173
3 Conservation Education									
A. ACTUAL	0	6,007	562	43,424	0	894	(122)	0	50,765
B. ESTIMATED	0	1,666	0	2,915	0	0	0	0	4,581
C. TOTAL	0	7,673	562	46,339	0	894	(122)	0	55,346
4 Space Conditioning									
A. ACTUAL	0	4,762	0	3,339	0	0	(94)	0	8,007
B. ESTIMATED	0	1,667	0	2,083	0	0	0	0	3,750
C. TOTAL	0	6,429	0	5,422	0	0	(94)	0	11,757
5 Residential Conservation Service									
A. ACTUAL	0	6,799	371	504	0	75	154	1,724	9,627
B. ESTIMATED	0	1,250	0	56,250	0	0	0	0	57,500
C. TOTAL	0	8,049	371	56,754	0	75	154	1,724	67,127
6 Residential Appliance Retention									
A. ACTUAL	0	38,884	611	12,466	204,000	248	281	0	256,490
B. ESTIMATED	0	11,250	0	83,333	166,667	0	0	0	261,250
C. TOTAL	0	50,134	611	95,799	370,667	248	281	0	517,740
 SUB-TOTAL	 0	 143,317	 2,214	 651,129	 1,033,915	 3,920	 663	 3,802	 1,838,960

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2007 THROUGH JULY 2007; ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	143,317	2,214	651,129	1,033,915	3,920	663	3,802	1,838,960
7 Dealer / Contractor									
A. ACTUAL	0	2,871	0	0	0	0	0	114	2,985
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	2,871	0	0	0	0	0	114	2,985
10 Commercial Conservation Service									
A. ACTUAL	0	4,305	2,624	5,870	0	7,496	819	0	21,114
B. ESTIMATED	0	10,418	0	1,667	0	0	0	0	12,085
C. TOTAL	0	14,723	2,624	7,537	0	7,496	819	0	33,199
12 Commercial Equipment Repair									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
13 Residential Service Reactivation									
A. ACTUAL	0	1,688	0	0	0	0	0	0	1,688
B. ESTIMATED	0	0	0	400	0	0	0	0	400
C. TOTAL	0	1,688	0	400	0	0	0	0	2,088
14 Common									
A. ACTUAL	0	153,140	10,980	105,448	34	6,186	21,273	14,158	311,219
B. ESTIMATED	0	86,668	6,250	42,084	0	20,834	14,583	0	170,419
C. TOTAL	0	239,808	17,230	147,532	34	27,020	35,856	14,158	481,638
TOTAL	0	402,407	22,068	806,598	1,033,949	38,436	37,338	18,074	2,358,870

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CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
ACTUAL JANUARY 2007 THROUGH JULY 2007; ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007

PROGRAM NAME	-----ACTUAL-----		-----ACTUAL-----		-----ACTUAL-----		-----ACTUAL-----		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	
Full House Residential New Construction	16,847	19,864	20,988	80,995	6,435	28,759	14,841	70,416	70,416	70,416	70,416	70,424	540,817
Resid. Appliance Replacement	13,706	16,685	67,492	98,305	79,800	105,834	43,101	44,250	44,250	44,250	44,250	44,250	646,173
Conservation Education	778	1,482	1,027	42,218	476	2,068	2,716	917	917	917	917	913	55,346
Space Conditioning	550	(25)	568	477	671	4,960	806	750	750	750	750	750	11,757
Residential Conservation Service	447	1,102	1,049	1,956	1,973	1,691	1,409	11,500	11,500	11,500	11,500	11,500	67,127
Residential Appliance Retention	27,830	40,556	61,989	28,365	25,321	45,767	26,662	52,250	52,250	52,250	52,250	52,250	517,740
Dealer / Contractor	407	159	368	577	400	619	455	0	0	0	0	0	2,985
Commercial Conservation Service	755	7,294	4,022	1,326	350	6,218	1,149	2,417	2,417	2,417	2,417	2,417	33,199
Commercial Equipment Repair	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Service Reactivation	0	40	0	0	459	560	629	100	0	100	100	100	2,088
Common	30,391	31,960	37,056	41,049	39,171	86,242	45,350	34,083	34,083	34,083	34,083	34,087	481,638
<b>TOTAL ALL PROGRAMS</b>	<b>91,711</b>	<b>119,117</b>	<b>194,559</b>	<b>295,268</b>	<b>155,056</b>	<b>282,718</b>	<b>137,118</b>	<b>216,683</b>	<b>216,583</b>	<b>216,683</b>	<b>216,683</b>	<b>216,691</b>	<b>2,358,870</b>

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ENERGY CONSERVATION ADJUSTMENT  
ACTUAL JANUARY 2007 THROUGH JULY 2007; ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007			
CONSERVATION REVS.															
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(2,585,710)
TOTAL REVENUES	(267,869)	(266,849)	(279,499)	(224,468)	(186,362)	(174,986)	(153,697)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(206,396)	(2,585,710)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(22,360)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(22,359)	(268,309)
CONSERVATION REVS. APPLIC. TO PERIOD	(290,229)	(289,208)	(301,858)	(246,827)	(208,721)	(197,345)	(176,056)	(228,755)	(228,755)	(228,755)	(228,755)	(228,755)	(228,755)	(228,755)	(2,854,019)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	91,711	119,117	194,559	295,268	155,056	282,718	137,118	216,683	216,583	216,683	216,683	216,683	216,691	216,691	2,358,870
TRUE-UP THIS PERIOD	(198,518)	(170,091)	(107,299)	48,441	(53,665)	85,373	(38,938)	(12,072)	(12,172)	(12,072)	(12,072)	(12,072)	(12,064)	(12,064)	(495,149)
INTEREST THIS PERIOD (C-3, PAGE 5)	(1,564)	(2,279)	(2,799)	(2,842)	(2,768)	(2,618)	(2,424)	(2,439)	(2,405)	(2,371)	(2,337)	(2,302)	(2,302)	(2,302)	(29,147)
TRUE-UP & INT. BEG. OF MONTH	(268,309)	(446,031)	(596,042)	(683,780)	(615,822)	(649,896)	(544,782)	(563,785)	(555,937)	(548,155)	(540,239)	(532,289)	(532,289)	(532,289)	(268,309)
PRIOR TRUE-UP COLLECT. (REFUND.)	22,360	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	22,359	268,309
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	(446,031)	(596,042)	(683,780)	(615,822)	(649,896)	(544,782)	(563,785)	(555,937)	(548,155)	(540,239)	(532,289)	(524,296)	(524,296)	(524,296)	(524,296)

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CALCULATION OF TRUE-UP AND INTEREST PROVISION  
ACTUAL JANUARY 2007 THROUGH JULY 2007; ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007			
INTEREST PROVISION															
BEGINNING TRUE-UP	(268,309)	(446,031)	(596,042)	(683,780)	(615,822)	(649,896)	(544,782)	(563,785)	(555,937)	(548,155)	(540,239)	(532,289)			
END. T-UP BEFORE INT.	(444,467)	(593,763)	(680,982)	(612,980)	(647,128)	(542,164)	(561,361)	(553,498)	(545,750)	(537,868)	(529,952)	(521,994)			
TOT. BEG. & END. T-UP	(712,776)	(1,039,793)	(1,277,023)	(1,296,761)	(1,262,951)	(1,192,061)	(1,106,143)	(1,117,283)	(1,101,687)	(1,086,023)	(1,070,191)	(1,054,283)			
AVERAGE TRUE-UP	(356,388)	(519,897)	(638,512)	(648,380)	(631,475)	(596,030)	(553,071)	(558,641)	(550,843)	(543,011)	(535,095)	(527,141)			
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.24%	5.24%	5.24%	5.24%			
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%			
TOTAL	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.48%	10.48%	10.48%	10.48%	10.48%			
AVG INTEREST RATE	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.24%	5.24%	5.24%	5.24%	5.24%			
MONTHLY AVG. RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%			
INTEREST PROVISION	(\$1,564)	(\$2,279)	(\$2,799)	(\$2,842)	(\$2,768)	(\$2,618)	(\$2,424)	(\$2,439)	(\$2,405)	(\$2,371)	(\$2,337)	(\$2,302)			(\$29,147)

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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5  
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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

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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 2 OF 9**

**PROGRAM TITLE:**

Full House Residential New Construction Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Natural Gas Home**

**PROGRAM DESCRIPTION:**

This program is designed to increase the overall energy efficiency in the residential single- and multi-family new construction market by promoting energy-efficient natural gas appliances. The program offers builders and developers incentives in the form of cash allowances to defray the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

**PROGRAM ALLOWANCES:**

Heating or Hydro heat	\$350
Standard Water Heater	\$350
Tankless Water Heater	\$450
Cooking	\$100
Clothes Drying	\$100

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 800 single- and multi-family homes will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$715,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 9, 2000. From the inception of this program on September 1, 2000 through August 31, 2007, FPUC has connected 6,645 single- and multi-family homes to its natural gas system.

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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 3 OF 9**

**PROGRAM TITLE:**

Residential Appliance Replacement Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Appliance Replacement Program**

**PROGRAM DESCRIPTION:**

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Heating or Hydro heat	\$625
Standard Water Heater	\$525
Tankless Water Heater	\$525
Cooking	\$100
Clothes Drying	\$100

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 450 natural gas appliances will be connected (limited to heating appliances, standard gas water heaters, tankless gas water heaters, cooking appliances and clothes dryers) to its natural gas system.

**PROGRAM EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$572,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through August 2007, FPUC has connected 1,854 appliances (heating appliances, standard gas water heaters, tankless gas water heaters, cooking appliances and clothes dryers) to its natural gas system.

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**FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 4 OF 9**

**PROGRAM TITLE:**

Residential Appliance Retention Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Appliance Retention Program**

**PROGRAM DESCRIPTION:**

This program is designed to promote the retention of energy-efficient appliances for current natural gas customers. The program offers allowances to customers to assist in defraying the cost of purchasing and installing more expensive energy-efficient appliances.

**PROGRAM ALLOWANCES:**

Heating or Hydro heat	\$350
Standard Water Heater	\$350
Tankless Water Heater	\$450
Cooking	\$100
Clothes Drying	\$100

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 900 standard water heaters, 100 tankless water heaters, 100 cooking appliances, 100 dyers and 25 heating appliances will be connected to its system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$652,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2007, FPUC has retained 5,341 natural gas water heaters connected to its distributions system.

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CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 5 OF 9**

**PROGRAM TITLE:**

Residential Service Reactivation Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Service Reactivation Program**

**PROGRAM DESCRIPTION:**

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

**PROGRAM ALLOWANCES:**

Service Reactivation (the installation of a water heater is required) \$350

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 05 services will be reactivated with water heaters on its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$1,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2007, FPUC has not reactivated any services with water heaters as a result of this program.

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CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5  
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**PROGRAM TITLE:**

Residential Conservation Service Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Home Energy Survey Program**

**PROGRAM DESCRIPTION:**

This program is designed to assist residential customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

**PROGRAM ALLOWANCES:**

Not applicable.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 100 residential customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$153,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through August 31, 2007, 157 residential customers have participated. The addition of two dedicated gas energy conservation program representatives will ensure that this program is successful in the future.

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CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 7 OF 9**

**PROGRAM TITLE:**

Commercial Conservation Service Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Commercial Energy Survey Program**

**PROGRAM DESCRIPTION:**

This program is designed to assist commercial customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

**PROGRAM ALLOWANCES:**

Not applicable.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 100 commercial customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$34,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2007, 148 commercial customers have participated. The addition of two dedicated gas energy conservation program representatives will ensure that this program is successful in the future.

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CONSOLIDATED NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
PAGE 8 OF 9**

**PROGRAM TITLE:**

Conservation Education Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Conservation Education Program**

**PROGRAM DESCRIPTION:**

The purpose of this program is to teach adult and young people about conservation measures designed to reduce energy consumption and consequently reduce their utility bills.

**PROGRAM ALLOWANCES:**

Not applicable.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 25 adult and youth presentations with 100 participants will result from this program.

**PROGRAM FISCAL EXPENDITURES:**

During this twelve-month period of January to December 2008, FPUC estimates expenses of \$23,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2007, FPUC has given 97 adult and youth presentations.

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PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5  
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**PROGRAM TITLE:**

Space Conditioning Program

**BRANDING:**

Marketing and promotional title will be **GoodCents Space Conditioning Program**

**PROGRAM DESCRIPTION:**

This program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for higher initial costs of natural gas space conditioning equipment and the associated installation costs. This program also reduces summer as well as winter peak demand and contributes to the conservation of kwh/kwd consumption.

**PROGRAM ALLOWANCES:**

Residential	\$1200 (For Robur model or equivalent unit)
Non-Residential	\$ 50 per ton

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2008, FPUC estimates that 1 customer project will utilize this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2008, FPUC estimates expenses of \$15,000.

**PROGRAM PROGRESS SUMMARY:**

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August 31, 2007, FPUC has connected 11 space conditioning projects to its natural gas system.

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ADJUSTED NET TRUE-UP  
JANUARY 2006 THROUGH DECEMBER 2006

END OF PERIOD NET TRUE-UP

PRINCIPAL	-975,271	
INTEREST	<u>-84,887</u>	-1,060,158

LESS PROJECTED TRUE-UP

PRINCIPAL	-1,567,775	
INTEREST	<u>-92,022</u>	<u>-1,659,797</u>

ADJUSTED NET TRUE-UP 599,639

( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070004-GU EXHIBIT 6

COMPANY PGS

WITNESS Kandi M. Floyd (KMF-1)

DATE 11/06/07

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
 ACTUAL VERSUS ESTIMATED  
 JANUARY 2006 THROUGH DECEMBER 2006

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	396,793	403,576	-6,783
MATERIALS & SUPPLIES	7,547	8,525	-978
ADVERTISING	883,000	865,792	17,208
INCENTIVES	7,603,566	7,571,283	32,283
OUTSIDE SERVICES	43,719	32,720	10,999
VEHICLES	0	0	0
OTHER	0	0	0
SUB-TOTAL	8,934,625	8,881,896	52,729
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	8,934,625	8,881,896	52,729
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-9,909,896	0	-9,909,896
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	-975,271	8,881,896	-9,857,167
INTEREST PROVISION	-84,887	0	-84,887
END OF PERIOD TRUE-UP	-1,060,158	8,881,896	-9,942,054

() REFLECTS OVER-RECOVERY  
 \*8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2006 THROUGH DECEMBER 2006

<u>PROGRAM NAME</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTIS.</u>	<u>INCENTIV.</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	0	0	6,949,550	0	0	0	6,949,550
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	1,650	0	0	0	1,650
PROGRAM 3: RESIDENTIAL APPLIANCE RETENTION	0	0	0	264,554	0	0	0	264,554
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	46,977	0	0	0	46,977
PROGRAM 5: RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	334,885	0	0	0	334,885
PROGRAM 6: COMMON COSTS	396,793	7,547	883,000	0	43,719	0	0	1,331,059
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0
PROGRAM 9: MONITORING AND RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ESP	0	0	0	5,950	0	0	0	5,950
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>396,793</b>	<b>7,547</b>	<b>883,000</b>	<b>7,603,566</b>	<b>43,719</b>	<b>0</b>	<b>0</b>	<b>8,934,625</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
 JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL NEW CONSTRUCTION	0	0	0	-8,718	0	0	0	-8,718
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	220	0	0	0	220
PROGRAM 3: RESIDENTIAL APPLIANCE RETENTION	0	0	0	70,154	0	0	0	70,154
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	12,347	0	0	0	12,347
PROGRAM 5: RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	-2,996	0	0	0	-2,996
PROGRAM 6: COMMON COSTS	-6,783	-978	17,208	0	10,999	0	0	20,446
PROGRAM 7: GAS SPACE CONDITIONING	0	0	0	-30,000	0	0	0	-30,000
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	-8,000	0	0	0	-8,000
PROGRAM 9: MONITORING AND RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 10: ESP	0	0	0	-724	0	0	0	-724
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
<b>TOTAL TOTAL OF ALL PROGRAMS</b>	<b>-6,783</b>	<b>-978</b>	<b>17,208</b>	<b>32,283</b>	<b>10,999</b>	<b>0</b>	<b>0</b>	<b>52,729</b>

( ) REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
 JANUARY 2006 THROUGH DECEMBER 2006

EXPENSES:	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEPT 2006	OCT 2006	NOV 2006	DEC 2006	TOTAL
PROGRAM 1:	646,035	593,010	572,865	706,380	510,630	491,410	525,830	592,685	639,645	718,120	522,650	430,290	6,949,550
PROGRAM 2:	330	660	0	0	0	0	0	0	330	0	0	330	1,650
PROGRAM 3:	15,000	19,700	11,300	29,600	14,100	12,900	14,100	12,900	11,200	14,400	20,250	89,104	264,554
PROGRAM 4:	3,440	270	0	2,560	4,000	4,000	4,000	5,960	6,765	6,020	0	9,962	46,977
PROGRAM 5:	24,170	23,150	9,475	41,880	26,345	33,660	37,440	29,285	22,715	23,860	26,430	36,475	334,885
PROGRAM 6:	149,758	89,439	45,532	130,698	47,390	76,217	101,874	86,380	64,687	78,191	128,457	332,436	1,331,059
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	800	800	150	400	900	250	650	500	400	400	350	350	5,950
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	839,533	727,029	639,322	911,518	603,365	618,437	683,894	727,710	745,742	840,991	698,137	898,947	8,934,625
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	839,533	727,029	639,322	911,518	603,365	618,437	683,894	727,710	745,742	840,991	698,137	898,947	8,934,625

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 JANUARY 2006 THROUGH DECEMBER 2006

CONSERVATION REVENUES	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	-1,163,628	-1,077,284	-925,807	-761,858	-622,757	-552,915	-535,482	-502,410	-509,546	-528,160	-628,123	-865,468	-8,673,436
4. TOTAL REVENUES	-1,163,628	-1,077,284	-925,807	-761,858	-622,757	-552,915	-535,482	-502,410	-509,546	-528,160	-628,123	-865,468	-8,673,436
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-103,038	-1,236,460
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	-1,266,667	-1,180,323	-1,028,845	-864,896	-725,795	-655,953	-638,520	-605,448	-612,584	-631,198	-731,161	-968,506	-9,909,896
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	839,533	727,029	639,322	911,518	603,365	618,437	683,894	727,710	745,742	840,991	698,137	898,947	8,934,625
8. TRUE-UP THIS PERIOD	-427,133	-453,294	-389,523	46,622	-122,430	-37,516	45,374	122,262	133,158	209,793	-33,025	-69,559	-975,271
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	-5,134	-6,557	-8,013	-8,694	-8,664	-8,889	-8,756	-7,951	-6,899	-5,725	-4,905	-4,700	-84,887
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	-1,236,460	-1,565,689	-1,922,501	-2,216,999	-2,076,032	-2,104,088	-2,047,455	-1,907,800	-1,690,451	-1,461,153	-1,154,046	-1,088,938	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	103,038	103,038	103,038	103,038	103,038	103,038	103,038	103,038	103,038	103,038	103,038	103,038	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	-1,565,689	-1,922,501	-2,216,999	-2,076,032	-2,104,088	-2,047,455	-1,907,800	-1,690,451	-1,461,153	-1,154,046	-1,088,938	-1,060,158	-1,060,158

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 JANUARY 2006 THROUGH DECEMBER 2006

	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006	JUL 2006	AUG 2006	SEPT 2006	OCT 2006	NOV 2006	DEC 2006	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	-1,236,460	-1,565,689	-1,922,501	-2,216,999	-2,076,032	-2,104,088	-2,047,455	-1,907,800	-1,690,451	-1,461,153	-1,154,046	-1,088,938	
2. ENDING TRUE-UP BEFORE INTEREST	-1,560,555	-1,915,944	-2,208,986	-2,067,339	-2,095,424	-2,038,566	-1,899,043	-1,682,500	-1,454,254	-1,148,322	-1,084,032	-1,055,459	
3. TOTAL BEGINNING & ENDING TRUE-UP	-2,797,015	-3,481,633	-4,131,487	-4,284,338	-4,171,456	-4,142,654	-3,946,498	-3,590,299	-3,144,705	-2,609,475	-2,238,079	-2,144,396	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-1,398,507	-1,740,816	-2,065,744	-2,142,169	-2,085,728	-2,071,327	-1,973,249	-1,795,150	-1,572,353	-1,304,737	-1,119,039	-1,072,198	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.300%	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	5.270%	
7. TOTAL (SUM LINES 5 & 6)	8.810%	9.040%	9.310%	9.740%	9.970%	10.300%	10.650%	10.630%	10.530%	10.530%	10.520%	10.520%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.405%	4.520%	4.655%	4.870%	4.985%	5.150%	5.325%	5.315%	5.265%	5.265%	5.260%	5.260%	
9. MONTHLY AVG 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 4 TIMES LINE 9)	-5,134	-6,557	-8,013	-8,694	-8,664	-8,889	-8,756	-7,951	-6,899	-5,725	-4,905	-4,700	-84,887

**Program Progress Report**

Reporting Period: JANUARY 2006 THROUGH DECEMBER 2006

Name: Residential New Construction Program

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

		PGS	WFL	PGS	WFL
		<u>1/06 - 10/06</u>	<u>1/06 - 10/06</u>	<u>11/06 - 12/06</u>	<u>11/06 - 12/06</u>
Program Allowances:	Water Heater .....	\$250	\$150	\$350	\$350
	Tankless Water Heater .....	N/A	N/A	\$450	\$450
	Heating .....	\$250	\$250	\$350	\$350
	Cooking .....	\$85	\$100	\$100	\$100
	Dryer .....	\$85	\$100	\$100	\$100
	<u>Program Summary</u>				
New Home Goal:		4,347	4,810	647	641
New Homes Connected:		<u>4,836</u>	<u>4,594</u>	<u>790</u>	<u>269</u>
Variance:		-489	217	-142	372
Percent of Goal:		111.3%	95.5%	122.0%	42.0%

Conservation Cost Variance - Actual vs. Projected		PGS	WFL	PGS	WFL
		<u>1/06 - 10/06</u>	<u>1/06 - 10/06</u>	<u>11/06 - 12/06</u>	<u>11/06 - 12/06</u>
Projected Cost:	\$6,958,268	\$2,912,306	\$2,886,250	\$582,462	\$577,250
Actual Cost:	\$6,949,550	\$3,240,260	\$2,756,350	\$710,690	\$242,250
Variance:	\$8,718	-\$327,954	\$129,900	-\$128,228	\$335,000

**Program Progress Report**

**Reporting Period:** JANUARY 2006 THROUGH DECEMBER 2006

**Name:** OIL HEAT REPLACEMENT

**Description:** This program is designed to encourage customers to convert their existing oil burning heating systems to energy efficient natural gas heating so as to discourage those customer from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

**Program Allowance:** Energy Efficient Gas Furnaces **\$330**

**Program Summary**

<b>Goals:</b>	<b>4</b>
<b>Actual:</b>	<b>5</b>
<b>Variance:</b>	<b>-1</b>
<b>Percent of Goal:</b>	<b>115.4%</b>

**Conservation Cost Variance - Actual Vs. Projected**

<b>Projected Cost:</b>	<b>\$1,430</b>
<b>Actual Cost:</b>	<b>\$1,650</b>
<b>Variance:</b>	<b>-\$220</b>

**Program Progress Report**

Reporting Period: JANUARY 2006 THROUGH DECEMBER 2006

Name: Residential Appliance Retention Program

Description: This program is designed to encourage current natural gas customers to retain their natural gas appliances.  
 The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

		PGS	WFL	PGS	WFL
		1/06 - 10/06	1/06 - 10/06	11/06 - 12/06	11/06 - 12/06
Program Allowances:	Water Heater .....	\$100	\$100	\$350	\$350
	Tankless Water Heater .....	N/A	N/A	\$450	\$450
	Heating .....	N/A	N/A	\$350	\$350
	Cooking .....	N/A	N/A	\$100	\$100
	Dryer .....	N/A	N/A	\$100	\$100
	<u>Program Summary</u>				
Goals:		1,944	211	104	16
Actual:		<u>2,646</u>	<u>183</u>	<u>369</u>	<u>36</u>
Variance:		-702	28	-265	-20
Percent of Goal:		136.1%	86.6%	354.1%	227.2%

Conservation Cost Variance - Actual Vs. Projected		PGS	WFL	PGS	WFL
		1/06 - 10/06	1/06 - 10/06	11/06 - 12/06	11/06 - 12/06
Projected Cost:	\$194,400	\$140,875	\$21,125	\$28,175	\$4,225
Actual Cost:	\$264,554	\$236,654	\$18,300	\$99,754	\$9,600
Variance:	-\$70,154	-\$95,779	\$2,825	-\$71,579	-\$5,375

**Program Progress Report**

Reporting Period: JANUARY 2006 THROUGH DECEMBER 2006

Name: COMM ELECTRIC REPLACEMENT

Description This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

	PGS	WFL	PGS	WFL
	<u>1/06 - 10/06</u>	<u>1/06 - 10/06</u>	<u>11/06 - 12/06</u>	<u>11/06 - 12/06</u>
Program Allowances: For each kW Displaced	\$40	\$30	\$40	\$40

**Program Summary**

Goals: (Projected kW Displaced)	866	599	9	250	10
Actual:	1,174	919	9	242	8
Variance:	-309	-320	0	8	3
Percent of Goal:	135.7%	153.4%	100.0%	96.6%	75.0%

**Conservation Cost Variance - Actual Vs. Projected**

		PGS	WFL	PGS	WFL
		<u>1/06 - 10/06</u>	<u>1/06 - 10/06</u>	<u>11/06 - 12/06</u>	<u>11/06 - 12/06</u>
Projected Cost:	\$34,630	\$23,960	\$270	\$10,000	\$400
Actual Cost:	\$46,977	\$36,745	\$270	\$9,662	\$300
Variance:	-\$12,347	-\$12,785	\$0	\$338	\$100

**Program Progress Report**

Reporting Period: JANUARY 2006 THROUGH DECEMBER 2006

Name: Residential Appliance Replacement Program

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

	PGS 1/06 - 10/06	WFL 1/06 - 10/06	PGS 11/06 - 12/06	WFL 11/06 - 12/06
Water Heater .....	\$440	\$250	\$525	525
Furnace .....	\$440	\$500	\$625	625
Range .....	\$75	\$150	\$100	100
Dryer .....	\$75	\$150	\$100	100
Space Heating .....	\$65	N/A	\$65	65

Program Summary

Goals:	500	61	82	8
Actual:	484	57	96	5
Variance:	16	4	-13	3
Percent of Goal:	96.7%	94.2%	116.3%	66.7%

Conservation Cost Variance - Actual vs. Projected

		PGS 1/06 - 10/06	WFL 1/06 - 10/06	PGS 11/06 - 12/06	WFL 11/06 - 12/06
Projected Cost:	\$337,881	\$257,506	\$24,250	\$51,325	\$4,800
Actual Cost:	\$334,885	\$249,130	\$22,850	\$59,705	\$3,200
Variance:	\$2,996	\$8,376	\$1,400	-\$8,380	\$1,600

Program Progress Report

Reporting Period: JANUARY 2006 THROUGH DECEMBER 2006

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,310,613
Actual Cost:	\$1,331,059
Variance:	-\$20,446

**Program Progress Report**

**Reporting Period:** JANUARY 2006 THROUGH DECEMBER 2006

**Name:** GAS SPACE CONDITIONING

**Description:** This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

**Program Allowance:** \$150 / ton

Program Summary

<b>Program Goal:</b>	200
<b>Program Accomplishments:</b>	0
<b>Variance:</b>	200
<b>Percent of Goal:</b>	0.0%

**Conservation Cost Variance - Actual vs. Projected**

<b>Projected Cost:</b>	\$30,000
<b>Actual Cost:</b>	\$0
<b>Variance:</b>	\$30,000

**Program Progress Report**

**Reporting Period:** JANUARY 2006 THROUGH DECEMBER 2006

**Name:** SMALL PACKAGE COGEN

**Description:** This program is designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications.

<b>Program Summary:</b>	kW Deferred	\$150 / kW
	Feasibility Study	\$5,000

**Conservation Cost Variance - Actual vs. Projected**

**Projected Cost:** \$8,000

**Actual Cost:** \$0

**Variance:** \$8,000

**Program Progress Report**

**Reporting Period:** JANUARY 2006 THROUGH DECEMBER 2006

**Name:** MONITORING & RESEARCH

**Description:** The projected costs and benefits of Peoples' energy conservation programs will be affected not only by the numbers of participating customers and the extent of their participation, but also by the assumptions used in estimating costs and savings to be derived from the programs.

**Program Summary:** Estimated annual cost: \$80,000

**Conservation Cost Variance - Actual vs. Projected**

<b>Projected Cost:</b>	<b>\$0</b>
<b>Actual Cost:</b>	<b>\$0</b>
<b>Variance:</b>	<b>\$0</b>

**Program Progress Report**

**Reporting Period:** JANUARY 2006 THROUGH DECEMBER 2006

**Name:** Energy Savings Payback

**Description:** This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances and will focus on water heaters, central heaters, ranges and dryers. Installation allowances are added to the program to encourage customers to consider the extra expense of energy efficient natural gas appliances in lieu of standard gas or electric appliances.

Installation allowance is \$50.00 per appliance

**Conservation Cost Variance - Actual vs. Projected**

<b>Projected Cost:</b>	<b>\$6,674</b>
<b>Actual Cost:</b>	<b>\$5,950</b>
<b>Variance:</b>	<b>\$724</b>

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: January 2008 Through December 2008

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	9,049,845
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-6,474,824
3. TOTAL (LINE 1 AND LINE 2)	2,575,021

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS & RS-SG	3,750,293	74,303,738	37,502,930	27,987,989	65,490,919	1,118,656	1.70811%	0.01506	1.00503	0.01513
SGS & CS-SG	72,141	2,907,255	1,442,820	783,651	2,226,471	38,031	1.70811%	0.01308	1.00503	0.01315
GS-1	234,488	114,458,798	7,034,640	26,377,030	33,411,670	570,707	1.70811%	0.00499	1.00503	0.00501
GS-2	37,288	78,437,414	1,305,080	17,465,659	18,770,739	320,625	1.70811%	0.00409	1.00503	0.00411
GS-3	9,360	74,522,283	421,200	14,556,438	14,977,638	255,834	1.70811%	0.00343	1.00503	0.00345
GS-4	1,745	47,888,337	148,325	8,537,533.00	8,685,858	148,364	1.70811%	0.00310	1.00503	0.00311
GS-5	1,188	67,906,033	178,200	6,818,445	6,996,645	119,510	1.70811%	0.00176	1.00503	0.00177
NGVS	204	514,767	7,140	72,134	79,274	1,354	1.70811%	0.00263	1.00503	0.00264
CSLS	756	885,608	0	113,615	113,615	1,941	1.70811%	0.00219	1.00503	0.00220
TOTAL	4,107,463	461,824,233	48,040,335	102,712,494	150,752,829	2,575,021				

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FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070004-GU EXHIBIT 9  
COMPANY Peoples Gas  
WITNESS Kandi M. Floyd (KMF-2)  
DATE 11-06-07

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
January 2008 Through December 2008

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	463,259	463,259	463,259	463,259	463,259	463,259	463,259	463,259	463,259	463,259	463,259	463,259	\$5,559,110
2 APPLIANCE RETENTION PROGRAM	113,271	113,271	113,271	113,271	113,271	113,271	113,271	113,271	113,271	113,271	113,271	113,271	\$1,359,251
3 RES APPLIANCE REPLACEMENT	44,401	44,401	44,401	44,401	44,401	44,401	44,401	44,401	44,401	44,401	44,401	44,401	\$532,807
4 COM ELECTRIC REPLACEMENT	4,723	4,723	4,723	4,723	4,723	4,723	4,723	4,723	4,723	4,723	4,723	4,723	\$56,677
5 GAS SPACE CONDITIONING	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	\$50,000
6 SMALL PKG COGEN	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	\$20,000
7 COMMON COSTS	114,250	114,250	114,250	114,250	114,250	114,250	114,250	114,250	114,250	114,250	114,250	114,250	\$1,371,000
8 MONITORING AND RESEARCH	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	\$100,000
9 OIL HEAT REPLACEMENT	83	83	83	83	83	83	83	83	83	83	83	83	\$1,000
10 N/A	0	0	0	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL ALL PROGRAMS</b>	<b>\$754,154</b>	<b>\$9,049,845</b>											

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2008 Through December 2008

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	5,559,110	0	0	0	\$5,559,110
2 APPLIANCE RETENTION PROGRAM	0	0	0	0	1,359,251	0	0	0	\$1,359,251
3 RES APPLIANCE REPLACEMENT	0	0	0	0	532,807	0	0	0	\$532,807
4 COM ELECTRIC REPLACEMENT	0	0	0	0	56,677	0	0	0	\$56,677
5 GAS SPACE CONDITIONING	0	0	0	0	50,000	0	0	0	\$50,000
6 SMALL PKG COGEN	0	0	0	0	20,000	0	0	0	\$20,000
7 COMMON COSTS	0	450,000	5,000	900,000	0	15,000	0	1,000	\$1,371,000
8 MONITORING AND RESEARCH	0	0	0	0	100,000	0	0	0	\$100,000
9 OIL HEAT REPLACEMENT	0	0	0	0	1,000	0	0	0	\$1,000
10 N/A	0	0	0	0	0	0	0	0	\$0
<b>PROGRAM COSTS</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$5,000</b>	<b>\$900,000</b>	<b>\$7,678,845</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$9,049,845</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2007 Through December 2007

8 Months of Actuals

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL HOME BUILDER									
A. ACTUAL	0	0	0	0	2,981,820	0	0	0	2,981,820
B. ESTIMATED	0	0	0	0	1,490,910	0	0	0	1,490,910
C. TOTAL	0	0	0	0	4,472,730	0	0	0	4,472,730
2 WATER HEATER RETENTION									
A. ACTUAL	0	0	0	0	931,053	0	0	0	931,053
B. ESTIMATED	0	0	0	0	465,526	0	0	0	465,526
C. TOTAL	0	0	0	0	1,396,579	0	0	0	1,396,579
3 RES ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	337,045	0	0	0	337,045
B. ESTIMATED	0	0	0	0	168,523	0	0	0	168,523
C. TOTAL	0	0	0	0	505,568	0	0	0	505,568
4 COM ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	34,230	0	0	0	34,230
B. ESTIMATED	0	0	0	0	10,400	0	0	0	10,400
C. TOTAL	0	0	0	0	44,630	0	0	0	44,630
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	300	0	0	0	300
B. ESTIMATED	0	0	0	0	400	0	0	0	400
C. TOTAL	0	0	0	0	700	0	0	0	700
6 SMALL PKG COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	4,000	0	0	0	4,000
C. TOTAL	0	0	0	0	4,000	0	0	0	4,000
SUB-TOTAL	0	0	0	0	6,424,206	0	0	0	6,424,206

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

January 2007 Through December 2007

8 Months of Actuals

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	6,424,206	0	0	0	6,424,206
<b>7. COMMON COSTS</b>									
A. ACTUAL	0	299,051	2,240	368,145	0	3,728	0	0	673,165
B. ESTIMATED	0	134,524	6,200	535,000	0	4,500	0	0	680,224
C. TOTAL	0	433,575	8,440	903,145	0	8,228	0	0	1,353,389
<b>8. MONITORING AND RESEARCH</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>9. ESP</b>									
A. ACTUAL	0	0	0	0	1,000	0	0	0	1,000
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	1,000	0	0	0	1,000
<b>10. OIL REPLACEMENT</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	300	0	0	0	300
C. TOTAL	0	0	0	0	300	0	0	0	300
<b>11. N/A</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>433,575</b>	<b>8,440</b>	<b>903,145</b>	<b>6,425,506</b>	<b>8,228</b>	<b>0</b>	<b>0</b>	<b>7,778,895</b>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
January 2007 Through December 2007  
8 Months of Actuals

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL HOME BUILDER	349,340	530,475	358,570	412,695	329,325	418,885	323,055	259,475	372,728	372,728	372,728	372,728	\$4,472,730
WATER HEATER RETENTION	119,505	139,427	101,498	109,593	105,905	129,794	130,088	95,242	116,382	116,382	116,382	116,382	\$1,396,579
RES ELECTRIC REPLACEMENT	42,155	49,180	28,570	48,380	30,240	43,945	46,225	48,350	42,131	42,131	42,131	42,131	\$505,568
COM ELECTRIC REPLACEMENT	6,960	6,160	1,810	3,860	7,640	3,320	4,480	0	2,600	2,600	2,600	2,600	\$44,630
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	300	100	100	100	100	\$700
SMALL PKG COGEN	0	0	0	0	0	0	0	0	1,000	1,000	1,000	1,000	\$4,000
COMMON COSTS	42,113	54,571	92,819	84,615	102,396	82,081	108,813	105,756	145,831	145,831	145,831	145,831	\$1,256,489
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
ESP	550	450	0	0	0	0	0	0	0	0	0	0	\$1,000
OIL REPLACEMENT	0	0	0	0	0	0	0	0	75	75	75	75	\$300
<b>TOTAL ALL PROGRAMS</b>	<b>\$560,623</b>	<b>\$780,263</b>	<b>\$583,267</b>	<b>\$659,143</b>	<b>\$575,506</b>	<b>\$678,024</b>	<b>\$612,662</b>	<b>\$509,123</b>	<b>\$680,846</b>	<b>\$680,846</b>	<b>\$680,846</b>	<b>\$680,846</b>	<b>\$7,681,995</b>

ENERGY CONSERVATION ADJUSTMENT  
January 2007 Through December 2007

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	-1,303,912	-1,371,652	-1,371,221	-1,170,527	-973,395	-862,852	-801,145	-729,324	-1,073,003	-1,073,003	-1,073,003	-1,073,003	-12,876,041
b. CONSERV. ADJ. REV	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-1,303,912	-1,371,652	-1,371,221	-1,170,527	-973,395	-862,852	-801,145	-729,324	-1,073,003	-1,073,003	-1,073,003	-1,073,003	-12,876,041
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-88,347	-1,060,158
CONSERVATION REVS. APPLIC. TO PERIOD	-1,392,258	-1,459,999	-1,459,567	-1,258,873	-1,061,742	-951,198	-889,491	-817,670	-1,161,350	-1,161,350	-1,161,350	-1,161,350	-13,936,199
CONSERVATION EXPS. (FORM C-3, PAGE 3)	560,623	780,263	583,267	659,143	575,506	678,024	612,662	509,123	680,846	680,846	680,846	680,846	7,681,995
TRUE-UP THIS PERIOD	-831,635	-679,736	-876,300	-599,730	-486,235	-273,174	-276,830	-308,547	-480,504	-480,504	-480,504	-480,504	-6,254,203
INTEREST THIS PERIOD (C-3,PAGE 5)	-6,282	-9,229	-12,292	-15,194	-17,253	-18,641	-19,506	-21,149	-23,422	-24,579	-25,619	-27,454	-220,620
TRUE-UP & INT. BEG. OF MONTH	-1,060,158	-1,809,729	-2,410,346	-3,210,592	-3,737,170	-4,152,312	-4,355,780	-4,563,770	-4,805,120	-5,220,700	-5,637,436	-6,055,212	-6,474,824
PRIOR TRUE-UP COLLECT.(REFUND.)	88,347	88,347	88,347	88,347	88,347	88,347	88,347	88,347	88,347	88,347	88,347	88,347	1,060,158
END OF PERIOD TOTAL NET TRUE-UP	-1,809,729	-2,410,346	-3,210,592	-3,737,170	-4,152,312	-4,355,780	-4,563,770	-4,805,120	-5,220,700	-5,637,436	-6,055,212	-6,474,824	-6,474,824

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
January 2007 Through December 2007

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	-1,060,158	-1,809,729	-2,410,346	-3,210,592	-3,737,170	-4,152,312	-4,355,780	-4,563,770	-4,805,120	-5,220,700	-5,637,436	-6,055,212	-6,474,824
END. T-UP BEFORE INT.	-1,803,446	-2,401,118	-3,198,300	-3,721,976	-4,135,059	-4,337,139	-4,544,264	-4,783,970	-5,197,277	-5,612,857	-6,029,594	-6,447,370	-11,668,869
TOT. BEG. & END. T-UP	-2,863,604	-4,210,846	-5,608,646	-6,932,568	-7,872,228	-8,489,451	-8,900,044	-9,347,740	-10,002,397	-10,833,557	-11,667,029	-12,502,583	-18,143,693
AVERAGE TRUE-UP	-1,431,802	-2,105,423	-2,804,323	-3,466,284	-3,936,114	-4,244,725	-4,450,022	-4,673,870	-5,001,198	-5,416,778	-5,833,515	-6,251,291	-9,071,846
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.2700%	5.2600%	5.2600%	5.2600%	5.2600%	5.2600%	5.2800%	5.2400%	5.6200%	5.6200%	5.2700%	5.2700%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.2600%	5.2600%	5.2600%	5.2600%	5.2600%	5.2800%	5.2400%	5.6200%	5.6200%	5.2700%	5.2700%	5.2700%	
TOTAL	10.5300%	10.5200%	10.5200%	10.5200%	10.5200%	10.5400%	10.5200%	10.8600%	11.2400%	10.8900%	10.5400%	10.5400%	
AVG INTEREST RATE	5.2650%	5.2600%	5.2600%	5.2600%	5.2600%	5.2700%	5.2600%	5.4300%	5.6200%	5.4450%	5.2700%	5.2700%	
MONTHLY AVG. RATE	0.4388%	0.4383%	0.4383%	0.4383%	0.4383%	0.4392%	0.4383%	0.4525%	0.4683%	0.4538%	0.4392%	0.4392%	
INTEREST PROVISION	-\$6,282	-\$9,229	-\$12,292	-\$15,194	-\$17,253	-\$18,641	-\$19,506	-\$21,149	-\$23,422	-\$24,579	-\$25,619	-\$27,454	-\$220,620

**Peoples Gas System**

**Reporting:** January 2007 Through December 2007

**Name:** RESIDENTIAL HOME BUILDER

**Description:** This Program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the gas appliance installation.

<b>Program Allowances:</b>	Gas Water Heater . . . . .	\$350.00
	Gas Heating . . . . .	\$350.00
	Gas Tankless Water Heater . . . . .	\$450.00
	Gas Cooking . . . . .	\$100.00
	Gas Dryer . . . . .	\$100.00

<b>Program Goals:</b> Projected new home connections for this period:	<b>20,331</b>
Actual connections to date this period:	<b>13,554</b>
Percent of goal:	<b>66.7%</b>
8 Months of Actuals	

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$4,472,730</b>
	Actual to date:	<b>\$2,981,820</b>

**Peoples Gas System**

**Reporting:** January 2007 Through December 2007

**Name:** WATER HEATER RETENTION

**Description:** This Program is designed to discourage current natural gas costumers from changing to electricity. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

<b>Program Allowances:</b>	Gas Water Heater .....	\$350.00
	Gas Heating .....	\$350.00
	Gas Tankless Water Heater .....	\$450.00
	Gas Cooking .....	\$100.00
	Gas Dryer .....	\$100.00

<b>Program Goals:</b>	Projected connections for this period:	<b>4,702</b>
	Actual connections to date this period:	<b>9,311</b>
	Percent of goal:	<b>198.0%</b>
	8 Months of Actuals	

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$1,396,579</b>
	Actual to date:	<b>\$931,053</b>

**Peoples Gas System**

Reporting: January 2007 Through December 2007

Name: RES ELECTRIC REPLACEMENT

Description This program was designed to encourage the replacement of electric resistance appliances by offering piping and venting allowances to defray the additional cost of installing more energy efficient natural gas appliances.

<b>Program Allowances:</b>	Natural Gas Water Heater . . . . .	\$525.00
	Natural Gas Heating . . . . .	\$625.00
	Natural Gas Tankless Water Heater . .	\$525.00
	Natural Gas Range . . . . .	\$100.00
	Natural Gas Dryer . . . . .	\$100.00
	Natural Gas Space Heater . . . . .	\$65.00
	Actual connections to date this period:	<b>1,094</b>
	Percent of goal:	<b>1683.5%</b>
	8 Months of Actuals	
<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$505,568</b>
	Actual to date:	<b>\$337,045</b>

**Peoples Gas System**

**Reporting:** January 2007 Through December 2007

**Name:** COM ELECTRIC REPLACEMENT

**Description:** This Program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

**Program Allowances:** For every KW Displaced . . . . . \$40.00  
Each customer allowed a maximum of 100 KWD deferred

<b>Program Fiscal Expenditures:</b>	Estimated for period:	<b>\$44,630</b>
	Actual to date:	<b>\$34,230</b>

**Peoples Gas System**

**Reporting:** January 2007 Through December 2007

**Name:** GAS SPACE CONDITIONING

**Description:** This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

**Program Allowance:** Each customer allowed 100 tons maximum paid allowance / installation at: \$150.00 per ton

Actual KWD displaced this period: **8**

Percent of goal: **0.0%**  
8 Months of Actuals

**Program Fiscal Expenditures:** Estimated for period: **\$700**

Actual to date: **\$300**

### Peoples Gas System

Reporting: January 2007 Through December 2007

Name: SMALL PKG COGEN

**Description:** This Program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

<b>Program Goals:</b>	Projected new connections for this period:	7
	Actual connections to date this period:	0
	Percent of goal:	0.0%
	8 Months of Actuals	
<b>Program Fiscal Expenditures:</b>	Estimated for period:	\$4,000
	Actual to date:	\$0

**Peoples Gas System**

**Reporting:** January 2007 Through December 2007

**Name:** COMMON COSTS

**Program Fiscal Expenditures:**

Estimated for period:	<b>\$1,353,389</b>
Actual to date:	<b>\$673,165</b>
Percent of goal:	<b>49.7%</b>
8 Months of Actuals	

### Peoples Gas System

**Reporting:** January 2007 Through December 2007

**Name:** OIL REPLACEMENT

**Description:** This Program is designed to encourage customers to convert their existing Oil Heating system to more energy efficient natural gas heating. Peoples' offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

**Program Allowance:** Energy Efficient Gas Furnaces . . . . . \$330.00

**Program Go** Projected new connections for this period: 1

Actual connections to date this period: 0

Percent of goal: 0.0%  
8 Months of Actuals

**Program Fiscal Expenditures:** Estimated for period: \$300

Actual to date: \$0

SCHEDULE CT-1

COMPANY: ST. JOE NATURAL GAS  
EXHIBIT # DKS-1

FOR MONTHS: ADJUSTED NET TRUE-UP  
JANUARY 2006 THROUGH DECEMBER 2006

END OF PERIOD NET TRUE-UP

PRINCIPLE	(4,233)	
INTEREST	<u>(184)</u>	(4,416)

LESS PROJECTED TRUE-UP

PRINCIPLE	(3,805)	
INTEREST	<u>(173)</u>	<u>(3,978)</u>

ADJUSTED NET TRUE-UP (438)

( ) REFLECTS OVER-RECOVERY

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070004-G EXHIBIT 10

COMPANY SJNG

WITNESS Debbie S.H (DKS-1)

DATE 11-06-07

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	9,175	7,175	2,000
OUTSIDE SERVICES	0	0	0
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	9,175	7,175	2,000
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	9,175	7,175	2,000
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION ADJUSTMENT REVENUES	(13,408)	(10,980)	(2,428)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	(4,233)	(3,805)	(428)
INTEREST PROVISION	<u>(184)</u>	<u>(173)</u>	<u>(11)</u>
END OF PERIOD TRUE-UP	<u>(4,416)</u>	<u>(3,978)</u>	<u>(438)</u>

( ) REFLECTS OVER-RECOVERY

\* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
 FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	8,500	0	0	0	8,500
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	675	0	0	0	675
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	9,175	0	0	0	9,175

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: BUILDER PROGRAM	0	0	0	0	1,775	0	0	0	1,775
PROGRAM 2: ELECTRIC REPLACEMENT	0	0	0	0	225	0	0	0	225
PROGRAM 3: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 4: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 5: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 6: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	2,000	0	0	0	2,000

( ) REFELCTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
 FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

EXPENSES:	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
PROGRAM 1:	2,800	1,300	1,925	700	0	0	0	0	0	0	350	1,425	8,500
PROGRAM 2:	225	0	225	0	0	0	0	0	0	0	0	225	675
PROGRAM 3:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 4:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	3,025	1,300	2,150	700	0	0	0	0	0	0	350	1,650	9,175
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	3,025	1,300	2,150	700	0	0	0	0	0	0	350	1,650	9,175

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

CONSERVATION REVENUES	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REVS	(1,282)	(1,008)	(851)	(1,022)	(390)	(417)	(340)	(324)	(408)	(341)	(673)	(1,006)	(8,060)
TOTAL REVENUES	(1,282)	(1,008)	(851)	(1,022)	(390)	(417)	(340)	(324)	(408)	(341)	(673)	(1,006)	(8,060)
PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(5,348)
CONSERVATION REVS APPLICABLE TO THE PERIOD	(1,727)	(1,453)	(1,297)	(1,467)	(835)	(863)	(785)	(770)	(854)	(786)	(1,119)	(1,451)	(13,408)
CONSERVATION EXPS (FROM CT-3, PAGE 1)	3,025	1,300	2,150	700	0	0	0	0	0	0	350	1,650	9,175
TRUE-UP THIS PERIOD	1,298	(153)	853	(767)	(835)	(863)	(785)	(770)	(854)	(786)	(769)	199	(4,233)
INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(16)	(13)	(10)	(9)	(11)	(13)	(15)	(17)	(18)	(20)	(21)	(21)	(184)
0. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(5,348)	(3,621)	(3,342)	(2,053)	(2,384)	(2,784)	(3,214)	(3,569)	(3,909)	(4,336)	(4,696)	(5,040)	
1. PRIOR TRUE-UP COLLECTED/(REFUNDED)	446	446	446	446	446	446	446	446	446	446	446	446	
2. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	(3,621)	(3,342)	(2,053)	(2,384)	(2,784)	(3,214)	(3,569)	(3,909)	(4,336)	(4,696)	(5,040)	(4,416)	(4,416)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2006 THROUGH DECEMBER 2006

INTEREST PROVISION	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	(5,348)	(3,621)	(3,342)	(2,053)	(2,384)	(2,784)	(3,214)	(3,569)	(3,909)	(4,336)	(4,696)	(5,040)	
2. ENDING TRUE-UP BEFORE INTEREST	(3,605)	(3,329)	(2,043)	(2,375)	(2,774)	(3,201)	(3,554)	(3,893)	(4,318)	(4,676)	(5,019)	(4,396)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(8,953)	(6,950)	(5,385)	(4,428)	(5,157)	(5,985)	(6,768)	(7,462)	(8,227)	(9,012)	(9,715)	(9,436)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(4,476)	(3,475)	(2,692)	(2,214)	(2,579)	(2,993)	(3,384)	(3,731)	(4,114)	(4,506)	(4,857)	(4,718)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.300%	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.510%	4.530%	4.780%	4.960%	5.010%	5.290%	5.360%	5.270%	5.260%	5.270%	5.250%	5.270%	
7. TOTAL (SUM LINES 5 & 6)	8.810%	9.040%	9.310%	9.740%	9.970%	10.300%	10.650%	10.630%	10.530%	10.530%	10.520%	10.520%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.405%	4.520%	4.655%	4.870%	4.985%	5.150%	5.325%	5.315%	5.265%	5.265%	5.260%	5.260%	
9. MONTHLY AVG 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 4 TIMES LINE 9)	(16)	(13)	(10)	(9)	(11)	(13)	(15)	(17)	(18)	(20)	(21)	(21)	(184)



ST JOE NATURAL GAS  
 CONSERVATION PROGRAM DESCRIPTION  
 AND PROGRESS FOR MONTHES  
 JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM TITLE: SINGLE & MULTI-FAMILY BUILDER PROGRAM

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO INCREASE THE NUMBER OF HIGH PRIORITY FIRM NATURAL GAS CUSTOMERS IN THE NEW CONSTRUCTION MARKET. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST BUILDERS IN DEFRAYING THE ADDITIONAL COSTS ASSOCIATED WITH NATURAL GAS INSTALLATIONS.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$250.00
GAS WATER HEATING	\$175.00
GAS AIR CONDITIONING	\$1,400.00
	<u>\$1,825.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	38
	PLANNED HEATING SYSTEMS:	0
	PLANNED AIR CONDITIONING:	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$8,500
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<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	49
	INSTALLED HEATING SYSTEMS:	0
	INSTALLED AIR CONDITIONING:	0

ST JOE NATURAL GAS  
CONSERVATION PROGRAM DESCRIPTION  
AND PROGRESS FOR MONTHES  
JANUARY 2006 THROUGH DECEMBER 2006

PROGRAM TITLE: Electric Replacement Program

PROGRAM DESCRIPTION: THIS PROGRAM IS DESIGNED TO PROMOTE THE REPLACEMENT OF ELECTRIC RESISTENCE APPLIANCES WITH ENERGY EFFICIENT NATURAL GAS APPLIANCES. INCENTIVES ARE OFFERED IN THE FORM OF CASH ALLOWANCES TO ASSIST IN DEFRAYING THE ADDITIONAL COSTS IN PURCHASING AND INSTALLING NATURAL GAS APPLIANCES.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$450.00
GAS WATER HEATING	\$225.00
GAS AIR CONDITIONING	\$1,500.00
	<u>\$2,175.00</u>

<u>PROGRAM ACCOMPLISHMENTS:</u>	PLANNED WATER HEATERS:	2
	PLANNED HEATING SYSTEMS:	0
	PLANNED AIR CONDITIONING:	0

<u>PROGRAM FISCAL EXPENDITURES:</u>	ACTUAL EXPEND. W/O INTEREST:	\$675
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<u>PROGRAM PROGRESS SUMMARY:</u>	INSTALLED WATER HEATERS:	3
	INSTALLED HEATING SYSTEMS:	0
	INSTALLED AIR CONDITIONING:	0

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2008 THROUGH DECEMBER 2008

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	49,575
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	39,497
3. TOTAL (LINE 1 AND LINE 2)	89,072

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
GS-1	34,620	738,672	311,580	281,331	592,911	73,983	12.47802%	0.10016	1.00503	0.10066
GS-2	2,553	94,506	22,977	35,994	58,971	7,358	12.47802%	0.07786	1.00503	0.07825
GS-3	452	212,307	18,080	43,873	61,953	7,731	12.47802%	0.03641	1.00503	0.03660
OTHER										
TOTAL	37,625	1,045,485	352,637	361,197	713,834	89,072.38				

**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 0700046-EXHIBIT 11**  
**COMPANY** SJNG  
**WITNESS** Debbie Smith (DKS-2)  
**DATE** 11-06-07



ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	11,100	0	0	0	11,100
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	6,700	0	0	0	6,700
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	31,775	0	0	0	31,775
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,575</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
<b>1 RESIDENTIAL NEW CONSTRUCTION</b>									
A. ACTUAL	0	0	0	332	3,450	3,167	0	0	6,948
B. ESTIMATED	0	0	0	0	1,400	0	0	0	1,400
MULIT-FAMILY HM BUILDER	0	0	0	332	4,850	3,167	0	0	8,348
<b>2 RESIDENTIAL APPL. REPLACEMENT</b>									
A. ACTUAL	0	0	0	332	2,175	3,167	0	0	5,673
B. ESTIMATED	0	0	0	0	0	0	0	0	0
ELECTRIC REPLACEMENT	0	0	0	332	2,175	3,167	0	0	5,673
<b>3 RESIDENTIAL APPL. RETENTION</b>									
A. ACTUAL	0	0	0	332	12,375	3,167	0	0	15,873
B. ESTIMATED	0	0	0	0	20,000	0	0	0	20,000
DEALER PROGRAM	0	0	0	332	32,375	3,167	0	0	35,873
<b>4 CONSERVATION EDUC</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
SCHOOLS PROGRAM	0	0	0	0	0	0	0	0	0
<b>5 COMMON COSTS</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
<b>6 (INSERT NAME)</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>SUB-TOTAL</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>995</u>	<u>39,400</u>	<u>9,500</u>	<u>0</u>	<u>0</u>	<u>49,895</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	995	39,400	9,500	0	0	49,895
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>995</b>	<b>39,400</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>49,895</b>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
RESIDENTIAL NEW CONSTRUCTION	175	350	175	350	525	175	1,350	350	350	350	350	350	4,850
RESIDENTIAL APPL. REPLACEMENT	450	225	225	225	0	1,050	0	0	0	0	0	0	2,175
RESIDENTIAL APPL. RETENTION	0	0	5,000	0	0	4,500	0	0	0	0	0	0	9,500
CONS. EDUC	0	0	0	0	0	0	6,075	6,300	5,000	5,000	5,000	5,000	32,375
COMMON COSTS	0	0	0	0	0	0	249	249	249	249	0	0	995
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	625	575	5,400	575	525	5,725	7,674	6,899	5,599	5,599	5,350	5,350	49,895

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2007 THROUGH DECEMBER 2007

	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	-718	-1,062	-879	-659	-379	-362	-276	-325	-321	-272	-538	-804	-6,595
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-718	-1,062	-879	-659	-379	-362	-276	-325	-321	-272	-538	-804	-6,595
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-368	-4,416
CONSERVATION REVS. APPLIC. TO PERIOD	-1,086	-1,430	-1,247	-1,027	-747	-730	-644	-693	-689	-640	-906	-1,172	-11,011
CONSERVATION EXPS. (FORM C-3, PAGE 3)	625	575	5,400	575	525	5,725	7,674	6,899	5,599	5,599	5,350	5,350	49,895
TRUE-UP THIS PERIOD	-461	-855	4,153	-452	-222	4,995	7,029	6,206	4,909	4,959	4,444	4,178	38,885
INTEREST THIS PERIOD (C-3,PAGE 5)	-20	-21	-12	-2	-2	10	38	71	101	127	151	174	613
TRUE-UP & INT. BEG. OF MONTH	-4,416	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	
PRIOR TRUE-UP COLLECT./(REFUND.)	368	368	368	368	368	368	368	368	368	368	368	368	
END OF PERIOD TOTAL NET TRUE-UP	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	39,497	39,497

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	-4,416	-4,529	-5,036	-527	-614	-470	4,902	12,337	18,982	24,361	29,814	34,777	
END. T-UP BEFORE INT.	-4,509	-5,015	-515	-611	-468	4,893	12,300	18,912	24,260	29,688	34,626	39,324	
TOT. BEG. & END. T-UP	-8,925	-9,544	-5,551	-1,138	-1,081	4,423	17,202	31,249	43,242	54,049	64,441	74,101	
AVERAGE TRUE-UP	-4,463	-4,772	-2,776	-569	-541	2,211	8,601	15,625	21,621	27,024	32,220	37,051	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.62%	5.62%	5.62%	
TOTAL	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.86%	11.24%	11.24%	11.24%	11.24%	
AVG INTEREST RATE	5.27%	5.26%	5.26%	5.26%	5.26%	5.27%	5.26%	5.43%	5.62%	5.62%	5.62%	5.62%	
MONTHLY AVG. RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.45%	0.47%	0.47%	0.47%	0.47%	
INTEREST PROVISION	-\$20	-\$21	-\$12	-\$2	-\$2	\$10	\$38	\$71	\$101	\$127	\$151	\$174	\$613

PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

PROGRAM DESCRIPTION:

This program is designed to increase the number of high priority firm natural gas customers in the new construction market. Incentives are offered in the form of cash allowances to assist builders in defraying the additional costs associated with natural gas appliance installations.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$350.00
GAS WATER HEATING	\$350.00
GAS AIR CONDITIONING	\$1,400.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$450.00
	<u>\$2,750.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2007 THROUGH DECEMBER 2008

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	14	0		1	2	3
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	20	5		5	5	3

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	3,450.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	1,400.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	11,100.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired.

PROGRAM TITLE: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION: This program is designed to promote the replacement of electric resistance appliances with energy efficient natural gas heaters, water heaters, air conditioners, dryers, ranges and tankless water heaters. Incentives are offered in the form of cash allowances to assist in defraying the additional costs in purchasing and installing natural gas appliances.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2007 THROUGH DECEMBER 2008

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	7	0				
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	10	2		1	1	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2007 THROUGH DECEMBER 2008

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	2,175.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	0.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	6,700.00

PROGRAM PROGRESS SUMMARY: Replacement of electric appliances with natural gas appliances continues to be well received by ratepayers in St Joe Natural Gas Company's service territory.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: 0.00

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2007 - DECEMBER 2007 (12 MTHS)	20	3				3
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	50	6		1	1	3

PROGRAM FISCAL EXPENSES FOR: RESIDENTIAL APPLIANCE RETENTION PROGRAM

JANUARY 07 - AUGUST 07	ACTUAL EXPENSES	12,375.00
SEPTEMBER 07 - DECEMBER 07	ESTIMATED EXPENSES	20,000.00
JANUARY 2008 - DECEMBER 2008	ESTIMATED EXPENSES	31,775.00

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain and existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.