

090004-GU

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

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FOR MONTHS January-08 THROUGH December-08

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-08 THROUGH December-08		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(368,263)</u>	
5.	INTEREST	<u>(12,996)</u>	<u>(381,259)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(405,539)</u>	
9.	INTEREST	<u>(13,709)</u>	<u>(419,248)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>37,989</u>

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DOCUMENT NUMBER-DATE

04110 MAY-18

FPSC-COMMISSION CLERK

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-08	THROUGH	December-08	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	488,949		437,533	51,416
2.	Advertisement	542,225		651,301	(109,076)
3.	Legal				
4.	Outside Services	18,670		33,858	(15,188)
5.	Vehicle	30,100		31,937	(1,837)
6.	Materials & Supplies	24,923		13,428	11,495
7.	Travel	4,040		2,512	1,528
8.	General & Administrative	145			145
9.	Incentives	777,315		997,300	(219,985)
10.	Other	76,303		54,495	21,808
11.	SUB-TOTAL	1,962,670		2,222,364	(259,694)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	1,962,670		2,222,364	(259,694)
14.	LESS: PRIOR PERIOD TRUE-UP	(435,874)		(435,874)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(1,895,059)		(2,192,029)	296,970
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(368,263)		(405,539)	37,276
19.	ADD INTEREST PROVISION	(12,996)		(13,709)	713
20.	END OF PERIOD TRUE-UP	(381,259)		(419,248)	37,989

() REFLECTS OVERRECOVERY

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-08 THROUGH December-08

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	36,568	47,603		2,045	2,104	1,479	1,491	73	322,090	21,842	435,295		435,295
2. Residential Appliance Replacement Program	46,210	119,151			2,864	2,603	8		127,650	11,465	309,951		309,951
3. Conservation Education Program	945	41,562				10,251				2,696	55,454		55,454
4. Space Conditioning Program	8,112				631						8,743		8,743
5. Residential Conservation Service Program	4,253	23,517				1,972	559	72		8,792	39,165		39,165
6. Residential Appliance Retention Program	74,342	123,741			1,964	1,820	8		327,050	8,545	537,470		537,470
7. Dealer / Contractor													
10. Commercial Conservation Service Program	5,317	15,208		6,176	477	1,011				2,792	30,981		30,981
12													
13. Residential Service Reactivation Program	30	396							525		951		951
14. Common	313,172	171,047		10,449	22,060	5,787	1,974			20,171	544,660		544,660
TOTAL ALL PROGRAMS	488,949	542,225		18,670	30,100	24,923	4,040	145	777,315	76,303	1,962,670		1,962,670

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

FOR MONTHS January-08 THROUGH December-08

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	(6,835)	(3,522)		1,064	738	1,025	426	73	(104,010)	3,632	(107,409)		(107,409)
2. Residential Appliance Replacement Program	15,125	(34,998)			1,069	1,716			(96,308)	1,981	(111,415)		(111,415)
3. Conservation Education Program	(3,387)	(616)		(2,083)		7,374				893	2,181		2,181
4. Space Conditioning Program	1,839	(2,917)		(1,667)	278						(2,467)		(2,467)
5. Residential Conservation Service Program	(299)	(53,552)				(935)		72		1,087	(53,627)		(53,627)
6. Residential Appliance Retention Program Dealer / Contractor	21,565	(41,256)			737	1,281	1		(19,667)	952	(36,387)		(36,387)
10. Commercial Conservation Service Program	(8,813)	140		(2,083)	199	1,011				210	(9,336)		(9,336)
12. Residential Service Reactivation Program		(417)									(417)		(417)
14. Common	32,221	28,062		(10,419)	(4,858)	23	1,101			13,053	59,183		59,183
TOTAL ALL PROGRAMS	51,416	(109,076)		(15,188)	(1,837)	11,495	1,528	145	(219,985)	21,808	(259,694)		(259,694)

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

FOR MONTHS January-08 THROUGH December-08

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	27,489	18,931	34,131	9,678	66,136	63,446	24,977	60,136	52,686	40,542	19,643	17,500	435,295
2.	Residential Appliance Replacement Program	37,727	25,900	34,453	34,763	14,796	17,542	17,852	22,135	20,782	50,160	12,925	20,916	309,951
3.	Conservation Education Program	11,838	6,148	10,028	10,033	(19)	4,681	981	9,436	1,237	375	233	483	55,454
4.	Space Conditioning Program	632	580	564	800	824	736	823	791	637	866	607	883	8,743
5.	Residential Conservation Service Program	11,303	5,067	2,366	164	2,073	1,681	6,388	825	3,722	5,111	922	(457)	39,165
6.	Residential Appliance Retention Program	52,106	52,664	55,890	40,657	34,374	34,693	31,806	29,411	38,179	74,349	48,116	45,225	537,470
7.	Dealer / Contractor													
10.	Commercial Conservation Service Program	314	4,086	1,807	5,393	616	13,485	449	152	2,724	1,466	(291)	780	30,981
12.														
13.	Residential Service Reactivation Program	396				555								951
14.	Common	44,231	24,686	66,840	43,501	41,848	35,371	51,877	62,072	32,899	58,461	28,540	54,334	544,660
15.														
16.														
17.														
18.														
19.														
20.														
21.	TOTAL ALL PROGRAMS	186,036	138,062	206,079	144,989	161,203	171,635	135,153	184,958	152,866	231,330	110,695	139,664	1,962,670
22.	LESS AMOUNT INCLUDED IN RATE BASE													
23.	RECOVERABLE CONSERVATION EXPENSES	186,036	138,062	206,079	144,989	161,203	171,635	135,153	184,958	152,866	231,330	110,695	139,664	1,962,670

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-08 THROUGH December-08

B.	CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	RESIDENTIAL CONSERVATION													
2.	CONSERVATION ADJ. REVENUES	(231,544)	(198,684)	(208,887)	(171,967)	(149,673)	(124,790)	(118,649)	(108,481)	(108,922)	(118,974)	(152,112)	(202,376)	(1,895,059)
3.	TOTAL REVENUES	(231,544)	(198,684)	(208,887)	(171,967)	(149,673)	(124,790)	(118,649)	(108,481)	(108,922)	(118,974)	(152,112)	(202,376)	(1,895,059)
4.	PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(36,321)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(36,323)	(435,874)
5.	CONSERVATION REVENUE APPLICABLE	(287,865)	(235,007)	(245,210)	(208,290)	(185,996)	(161,113)	(154,972)	(144,804)	(145,245)	(155,297)	(188,435)	(238,699)	(2,330,933)
6.	CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	186,036	138,062	206,079	144,989	161,203	171,635	135,153	184,958	152,866	231,330	110,695	139,664	1,962,670
7.	TRUE-UP THIS PERIOD (LINE 5 - 6)	(81,829)	(96,945)	(39,131)	(63,301)	(24,793)	10,522	(19,819)	40,154	7,621	76,033	(77,740)	(99,035)	(368,263)
8.	INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(1,540)	(1,319)	(1,302)	(1,282)	(1,255)	(1,105)	(1,045)	(953)	(1,259)	(1,091)	(549)	(296)	(12,996)
9.	TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(435,874)	(482,922)	(544,863)	(548,973)	(577,233)	(566,958)	(521,218)	(505,759)	(430,235)	(387,550)	(276,285)	(318,251)	(435,874)
9A.	DEFERRED TRUE-UP BEGINNING OF PERIOD													
10.	PRIOR TRUE-UP COLLECTED (REFUNDED)	36,321	36,323	36,323	36,323	36,323	36,323	36,323	36,323	36,323	36,323	36,323	36,323	435,874
11.	TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(482,922)	(544,863)	(548,973)	(577,233)	(566,958)	(521,218)	(505,759)	(430,235)	(387,550)	(276,285)	(318,251)	(381,259)	(381,259)

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-08 THROUGH December-08

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(435,874)	(482,922)	(544,863)	(548,973)	(577,233)	(566,958)	(521,218)	(505,759)	(430,235)	(387,550)	(276,285)	(318,251)	(435,874)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(481,382)	(543,544)	(547,671)	(575,951)	(565,703)	(520,113)	(504,714)	(429,282)	(386,291)	(275,194)	(317,702)	(380,963)	(368,263)
3. TOTAL BEG. AND ENDING TRUE-UP	(917,256)	(1,026,466)	(1,092,534)	(1,124,924)	(1,142,936)	(1,087,071)	(1,025,932)	(935,041)	(816,526)	(662,744)	(593,987)	(699,214)	(804,137)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(458,628)	(513,233)	(546,267)	(562,462)	(571,468)	(543,536)	(512,966)	(467,521)	(408,263)	(331,372)	(296,994)	(349,607)	(402,069)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	4.95%	2.95%	1.49%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	4.95%	2.95%	1.49%	0.54%	
7. TOTAL (LINE C-5 + C-6)	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	7.40%	7.90%	4.44%	2.03%	
8. AVG. INTEREST RATE (C-7 X 50%)	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	3.70%	3.95%	2.22%	1.02%	
9. MONTHLY AVERAGE INTEREST RATE	0.336%	0.257%	0.238%	0.228%	0.220%	0.203%	0.204%	0.204%	0.308%	0.329%	0.185%	0.085%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(1,540)	(1,319)	(1,302)	(1,282)	(1,255)	(1,105)	(1,045)	(953)	(1,259)	(1,091)	(549)	(296)	(12,996)

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

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 INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

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

FOR MONTHS January-08 THROUGH December-08

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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

PROGRAM TITLE: Residential New Construction Program

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

PROGRAM ACCOMPLISHMENTS: For the reporting period 1,038 incentives were paid. Totals for the types of new construction rebates are as follows: Furnace 191, Tankless 71, W/H 305, Range 235, Dryer 236

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$435,295

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 267 incentives were paid. Totals for the types of Appliance Replacement rebates are as follows: Furnace 7, Tankless 113, W/H 36, Range 59, Dryer 52

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$309,951

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception FPUC has provided 2,541 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 960 incentives were paid. Totals for this program are as follows: Furnace 62, Tankless 95, W/H 544, Range 148, and Dryer 111

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$537,470

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception FPUC has retained 6587 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, 2008 through December 31 2008 were \$951

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

PROGRAM TITLE: Residential Conservation Service Program

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

PROGRAM ACCOMPLISHMENTS: This year a total of 26 surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$39,165

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through December 2008, 103 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 6 surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$30,981

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1st 2000. From the inception of this program through December 31st, 2008 149 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 and educational events reaching 250 customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$55,454

PROGRAM PROGRESS SUMMARY: This program has been successful and we are optimistic that our customers will continue to involve us to an even greater extent in the future on upcoming commercial and residential 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 2008.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2008 through December 31 2008 were \$8,743

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31st 2008 FPUC has connected 10 space conditioning projects to its natural gas system.