

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of Conservation Adjustment Factor

Projection Filing

DIRECT TESTIMONY OF CHERYL M. MARTIN

On behalf of

Florida Public Utilities Company

DOCKET NO. 110002-EG

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

A. My name is Cheryl Martin. I am the Regulatory Affairs Director for Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida 33401.

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

A. I have been employed by FPUC since 1985 and performed numerous accounting and regulatory roles and functions including regulatory accounting (Fuel, PGA, conservation, rate proceedings, Surveillance reports, regulatory reporting), tax accounting, external reports, corporate accounting and Florida accounting. In August 2011, I was promoted to my current position of Director of Regulatory Affairs. I have been an expert witness for numerous proceedings before the Florida Public Service Commission (FPSC). I graduated from Florida State University in 1984 with a BS degree in Accounting. Also, I am a Certified Public Accountant in the state of Florida.

Q. Are you familiar with the electric conservation programs of the Company and costs

COM 5
APA 1
ECR 7
GCL 1
RAD _____
SRC _____
ADM _____
OPC _____
CLK Y RPR

1 which have been, and are projected to be, incurred in their implementation?

2 A. Yes.

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

4 A. To describe generally the expenditures made and projected to be made in
5 implementing, promoting, and operating the Company's electric conservation
6 programs. This will include recoverable costs incurred in January through
7 July 2011 and projections of program costs to be incurred from August
8 through December 2011. It will also include projected electric conservation
9 costs for the period January through December 2012, with a calculation of the
10 Conservation Adjustment Factor to be applied to the Company's consolidated
11 electric customers' bills during the collection period of January 1, 2012
12 through December 31, 2012.

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

14 A. Yes. I wish to sponsor as exhibits Schedules C-1, C-2, C-3, C-4, and C-5, which
15 have been filed with this testimony.

16 Q. Have you prepared summaries of the Company's electric conservation programs and
17 the costs associated with these programs?

18 A. Yes. Summaries of the twelve electric conservation programs are contained in
19 Schedule C-5 of Exhibit CMM-1. Included are the Residential Energy Survey
20 Program, the Commercial Energy Survey Program, the Commercial Heating and
21 Cooling Upgrade, the Residential Heating and Cooling Program, the Commercial
22 Indoor Efficient Lighting Rebate Program, the Commercial Window Film
23 Installation Program, the Commercial Upgrade Program, the Solar Water Heating
24 Program and the Solar Photovoltaic Program.

25 Q. Have you prepared schedules that show the expenditures associated with the
WPB_ACTIVE 4898369. 12

- 1 Company's electric conservation programs for the periods you have mentioned?
- 2 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit CMM-1 shows actual expenses for
3 the months January through July 2011. Projections for August through December
4 2011 are also shown on Schedule C-3, Pages 1 and 1A. Projected expenses for the
5 January through December 2012 period are shown on Schedule C-2, Page 1 of 3 of
6 Exhibit CMM-1.
- 7 Q. Have you prepared schedules that show revenues for the period January through
8 December 2011?
- 9 A. Yes. Schedule C-4 shows actual revenues for the months January through July 2011
10 and projected revenues for August through December 2011 and January through
11 December 2012.
- 12 Q. Have you prepared a schedule that shows the calculation of the Company's proposed
13 Conservation Adjustment Factor to be applied during billing periods from January 1,
14 2012 through December 31, 2012?
- 15 A. Yes. Schedule C-1 of Exhibit CMM-1 shows these calculations. Net program cost
16 estimates for the period January 1, 2012 through December 31, 2012 are used. The
17 estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11) of Exhibit
18 CMM-1, being an under-recovery, was added to the total of the projected costs for
19 the twelve-month period. The total projected recovery amount, including estimated
20 true-up, was then divided by the projected Retail KWH Sales for the twelve-month
21 period ending December 31, 2012. The resulting Conservation Adjustment Factor is
22 shown on Schedule C-1 (Page 1 of 1) of Exhibit CMM-1.
- 23 Q. What is the Conservation Adjustment Factor necessary to recover these projected net
24 total costs?
- 25 A. The Conservation Adjustment Factor is \$.00115 per KWH.

1 Q. Does this conclude your testimony?

2 A. Yes.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-12 THROUGH December-12

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>778,900</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>46,902</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>825,802</u>
4.	RETAIL KWH SALES	<u>719,039,000</u>
5.	COST PER KWH	<u>0.00114848</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00114900</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH)	<u>0.115</u>

EXHIBIT NO. _____
DOCKET NO.110002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-1)
PAGE 1 OF 21

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-12 THROUGH December-12

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Common	18,230	18,270	18,270	18,270	18,270	18,270	18,270	18,270	18,270	18,270	18,270	18,270	219,200
2 Residential Energy Survey Program	18,280	18,320	18,320	18,320	18,320	18,320	18,320	18,320	18,320	18,320	18,320	18,320	219,800
3 Commercial Energy Survey Program	7,060	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	84,500
4 Commercial Heating and Cooling Upgrade	1,320	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	16,500
5 Residential Heating and Cooling Upgrade	7,990	8,010	8,010	8,010	8,010	8,010	8,010	8,010	8,010	8,010	8,010	8,010	96,100
6 Commercial Indoor Efficient Lighting Rebate	1,550	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,150
7 Commercial Window Film Installation Program	1,340	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	16,300
8 Commercial Chiller Upgrade Program	3,460	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	41,850
9 Solar Water Heating Program	950	950	950	950	950	950	950	950	950	950	950	950	11,400
10 Solar Photovoltaic Program	4,490	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	54,100
31. TOTAL ALL PROGRAMS	64,670	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	778,900
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	64,670	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	778,900

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Common	75,000	50,000	10,000	20,000	7,000	35,000	20,000	0	0	2,200	219,200	0	219,200
2 Residential Energy Survey Program	110,000	55,000	0	2,000	9,000	23,000	20,000	0	0	800	219,800	0	219,800
3 Commercial Energy Survey Program	39,000	35,000	0	1,000	1,500	4,000	4,000	0	0	0	84,500	0	84,500
4 Commercial Heating and Cooling Upgrade	6,000	5,000	0	1,000	1,000	1,000	1,000	0	1,500	0	16,500	0	16,500
5 Residential Heating and Cooling Upgrade	30,000	25,000	0	1,000	2,300	7,000	6,000	0	24,800	0	96,100	0	96,100
6 Commercial Indoor Efficient Lighting Rebate	6,000	8,000	0	1,000	450	1,500	1,200	0	1,000	0	19,150	0	19,150
7 Commercial Window Film Installation Program	6,000	5,000	0	1,000	400	1,500	1,200	0	1,200	0	16,300	0	16,300
8 Commercial Chiller Upgrade Program	6,000	15,000	0	1,000	1,350	4,000	3,500	0	11,000	0	41,850	0	41,850
9 Solar Water Heating Program	6,000	2,000	0	1,000	200	1,000	600	0	600	0	11,400	0	11,400
10 Solar Photovoltaic Program	6,000	4,000	0	1,000	400	1,500	1,200	0	40,000	0	54,100	0	54,100
31. TOTAL ALL PROGRAMS	290,000	204,000	10,000	30,000	23,600	79,500	58,700	0	80,100	3,000	778,900	0	778,900
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	290,000	204,000	10,000	30,000	23,600	79,500	58,700	0	80,100	3,000	778,900	0	778,900

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-2
PAGE 3 OF 3

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS January-12 THROUGH December-12

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. _____
DOCKET NO 110002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-1)
PAGE 4 OF 21

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

SCHEDULE C-3
 PAGE 1 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
 January-11 August-11 THROUGH THROUGH July-11 December-11

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Common													
A. ACTUAL	123,790	94,057	5,376	17,391	8,705	60,507	26,041	15	47,797	1,309	384,988		384,988
B. ESTIMATED	38,420	(220,090)	3,840	12,420	6,220	13,220	13,600	10	14,140	940	(117,280)		(117,280)
C. TOTAL	162,210	(126,033)	9,216	29,811	14,925	73,727	39,641	25	61,937	2,249	267,708		267,708
2. Commercial Energy Survey Program													
A. ACTUAL	42,879	32,828	0	0	3,987	3,273	7,557	0	(50)	463	90,937		90,937
B. ESTIMATED	30,625	135,445	0	0	2,850	2,340	5,400	0	0	330	176,990		176,990
C. TOTAL	73,504	168,273	0	0	6,837	5,613	12,957	0	(50)	793	267,927		267,927
3. Commercial Energy Survey Program													
A. ACTUAL	0	17,007	0	0	0	0	0	0	0	0	17,007		17,007
B. ESTIMATED	0	86,145	0	0	0	0	0	0	0	0	86,145		86,145
C. TOTAL	0	103,152	0	0	0	0	0	0	0	0	103,152		103,152
4. Commercial Heating and Cooling Upgrade													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0		0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0		0
5. Residential Heating and Cooling Upgrade													
A. ACTUAL	2,461	31,182	0	0	164	547	656	0	0	0	35,010		35,010
B. ESTIMATED	1,760	79,015	0	0	120	390	470	0	0	0	81,755		81,755
C. TOTAL	4,221	110,197	0	0	284	937	1,126	0	0	0	116,765		116,765
6. Commercial Indoor Efficient Lighting Rebate													
A. ACTUAL	0	15,591	0	0	0	0	0	0	0	0	15,591		15,591
B. ESTIMATED	0	8,135	0	0	0	0	0	0	0	0	8,135		8,135
C. TOTAL	0	23,726	0	0	0	0	0	0	0	0	23,726		23,726
7. Commercial Window Film Installation Program													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0		0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0		0
SUB-TOTAL ACTUAL	169,130	190,665	5,376	17,391	12,856	64,327	34,254	15	47,747	1,772	543,533		543,533
SUB-TOTAL ESTIMATED	70,805	88,650	3,840	12,420	9,190	15,950	19,470	10	14,140	1,270	235,745		235,745

LESS: PRIOR YEAR AUDIT ADJ.
 ACTUAL
 ESTIMATED
 TOTAL

0 0

NET PROGRAM COSTS SEE PAGE 1A

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

SCHEDULE C-3
 PAGE 1A OF 5

PROGRAM NAME	ACTUAL FOR MONTHS	ESTIMATED FOR MONTHS	January-11 August-11	THROUGH THROUGH	July-11 December-11	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL	
	8. Commercial Chiller Upgrade Program	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Solar Water Heating Program	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Solar Photovoltaic Program	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13.	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.	A. ACTUAL	B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	C. TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL ACTUAL		169,130	190,665	5,376	17,391	12,856	64,327	34,254	15	47,747	1,772	543,533	0	543,533				
	TOTAL ESTIMATED		70,805	88,650	3,840	12,420	9,190	15,950	19,470	10	14,140	1,270	235,745	0	235,745				
LESS: PRIOR YEAR AUDIT ADJ.	ACTUAL																		
	ESTIMATED																		
	TOTAL																		
NET PROGRAM COSTS			239,935	279,315	9,216	29,811	22,046	80,277	53,724	25	61,887	3,042	779,278	0	779,278				

EXHIBIT NO. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 6 OF 21

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-11 THROUGH July-11
 ESTIMATED FOR MONTHS August-11 THROUGH December-11

	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. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 7 OF 21

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

SCHEDULE C-3
 PAGE 3 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
 January-11 August-11 THROUGH THROUGH July-11 December-11

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
1 Common	46,353	46,644	44,566	51,029	79,289	79,584	37,523	384,988	24,544	24,544	24,544	24,544	(215,456)	(117,280)	267,708
2 Residential Energy Survey Program	19,569	22,303	24,291	8,542	5,726	2,605	7,901	90,937	12,998	12,998	12,998	12,998	124,998	176,990	267,927
3 Commercial Energy Survey Program	5,699	5,680	6,228	1,086	(1,702)	0	16	17,007	2,429	2,429	2,429	2,429	76,429	86,145	103,152
4 Commercial Heating and Cooling Upgrade	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Residential Heating and Cooling Upgrade	12,360	7,912	13,456	414	838	0	30	35,010	4,951	4,951	4,951	4,951	61,951	81,755	116,765
6 Commercial Indoor Efficient Lighting Rebate	6,180	3,646	6,728	207	(1,185)	0	15	15,591	2,227	2,227	2,227	2,227	(773)	8,135	23,726
7 Commercial Window Film Installation Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Commercial Chiller Upgrade Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Solar Water Heating Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Solar Photovoltaic Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31. TOTAL ALL PROGRAMS	90,161	86,185	95,269	61,278	82,966	82,189	45,485	543,533	47,149	47,149	47,149	47,149	47,149	235,745	779,278
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	90,161	86,185	95,269	61,278	82,966	82,189	45,485	543,533	47,149	47,149	47,149	47,149	47,149	235,745	779,278

Prior period audit adj.

EXHIBIT NO. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 8 OF 21

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-11	THROUGH	July-11													
	ESTIMATED FOR MONTHS	August-11	THROUGH	December-11	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)		(80,735)	(68,489)	(53,952)	(53,593)	(59,191)	(71,180)	(78,675)	(83,790)	(77,902)	(70,630)	(59,313)	(62,684)	(820,134)			
3. TOTAL REVENUES		(80,735)	(68,489)	(53,952)	(53,593)	(59,191)	(71,180)	(78,675)	(83,790)	(77,902)	(70,630)	(59,313)	(62,684)	(820,134)			
4. PRIOR PERIOD TRUE-UP-ADJ NOT APPLICABLE TO PERIOD		7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,555	7,552	90,657			
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		(73,180)	(60,934)	(46,397)	(46,038)	(51,636)	(63,625)	(71,120)	(76,235)	(70,347)	(63,075)	(51,758)	(55,132)	(729,477)			
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)		90,161	86,185	95,269	61,278	82,966	82,189	45,485	47,149	47,149	47,149	47,149	47,149	779,278			
7. TRUE-UP THIS PERIOD		16,981	25,251	48,872	15,240	31,330	18,564	(25,635)	(29,086)	(23,198)	(15,926)	(4,609)	(7,983)	49,801			
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)		20	23	26	26	26	26	22	12	7	5	4	3	200			
9. TRUE-UP & INTEREST PROVISION		90,657	100,103	117,822	159,165	166,876	190,677	201,712	165,445	128,816	98,070	74,594	62,434	90,657			
10. PRIOR TRUE-UP REFUNDED (COLLECTED)		(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,555)	(7,552)	(90,657)			
2010 Audit adj.								(3,099)									(3,099)
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		100,103	117,822	159,165	166,876	190,677	201,712	165,445	128,816	98,070	74,594	62,434	46,902	46,902			

EXHIBIT NO. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 9 OF 21

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 January-11 THROUGH July-11
 ESTIMATED FOR MONTHS August-11 THROUGH December-11

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	90,657	100,103	117,822	159,165	166,876	190,677	201,712	165,445	128,816	98,070	74,594	62,434	46,902
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	100,083	117,799	159,139	166,850	190,651	201,686	168,522	128,804	98,063	74,589	62,430	46,899	49,801
3. TOTAL BEG. AND ENDING TRUE-UP	190,740	217,902	276,961	326,015	357,527	392,363	370,234	294,249	226,879	172,659	137,024	109,333	96,703
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	95,370	108,951	138,481	163,008	178,764	196,182	185,117	147,125	113,440	86,330	68,512	54,667	48,352
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.07%	0.07%	0.07%	0.07%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
7. TOTAL (LINE C-5 + C-6)	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.19%	0.14%	0.14%	0.14%	0.14%	0.14%
8. AVG INTEREST RATE (C-7 X 50%)	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.10%	0.07%	0.07%	0.07%	0.07%	0.07%
9. MONTHLY AVERAGE INTEREST RATE	0.021%	0.021%	0.019%	0.016%	0.015%	0.013%	0.012%	0.008%	0.006%	0.006%	0.006%	0.006%	0.006%
10. INTEREST PROVISION (LINE C-4 X C-9)	20	23	26	26	26	26	22	12	7	5	4	3	200

EXHIBIT NO. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 10 OF 21

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

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-11 THROUGH December-12

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2011 JANUARY	67,594	80,735	ACTUAL
FEBRUARY	61,984	68,489	ACTUAL
MARCH	61,311	53,952	ACTUAL
APRIL	54,213	53,593	ACTUAL
MAY	48,849	59,191	ACTUAL
JUNE	60,751	71,180	ACTUAL
JULY	74,001	78,675	ACTUAL
AUGUST	72,762	83,790	0.115156
SEPTEMBER	67,649	77,902	0.115156 *
OCTOBER	61,334	70,630	0.115156 *
NOVEMBER	51,507	59,313	0.115155 *
DECEMBER	54,434	62,684	0.115156 *
SUB-TOTAL	736,389	820,134	
2012 JANUARY	59,425	68,248	0.114848
FEBRUARY	57,507	66,046	0.114848
MARCH	56,138	64,473	0.114848
APRIL	51,370	58,997	0.114848
MAY	51,486	59,131	0.114848
JUNE	62,613	71,910	0.114848
JULY	71,921	82,601	0.114848
AUGUST	72,349	83,091	0.114848
SEPTEMBER	68,510	78,682	0.114848
OCTOBER	61,449	70,573	0.114848
NOVEMBER	51,954	59,668	0.114848
DECEMBER	54,317	62,382	0.114848
SUB-TOTAL	719,039	825,802	
TOTALS	1,455,428	1,645,936	

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

EXHIBIT NO. _____
 DOCKET NO. 110002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-1)
 PAGE 11 OF 21

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

**SCHEDULE C-5
PAGE 1 OF 10**

Program	Program Number
1. Residential Energy Survey Program	613
2. Commercial Energy Survey Program	616
3. Commercial Heating and Cooling Upgrade Program	618
4. Residential Heating and Cooling Upgrade Program	619
5. Commercial Indoor Efficient Lighting Rebate Program	621
6. Commercial Window Film Installation Program	622
7. Commercial Chiller Upgrade Program	623
8. Solar Water Heating Program	624
9. Solar Photovoltaic Program	625

**EXHIBIT NO. _____
DOCKET NO. 110002-EG
FLORIDA PUBLIC UTILITIES CO.
(CMM-1)
Page 12 of 21**

PROGRAM TITLE:

Residential Energy Survey Program

PROGRAM DESCRIPTION:

The objective of the Residential 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 ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, 201 surveys were performed under this program. We estimate that another 143 surveys will be performed between August 2011 and December 2011.

For January 2012 through December 2012, the goal for the number of program participants is 250.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses are \$219,800.

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.

**EXHIBIT NO. _____
DOCKET NO. 110002-EG
FLORIDA PUBLIC UTILITIES CO.
(CMM-1)
Page 13 of 21**

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

**SCHEDULE C-5
PAGE 3 OF 10**

PROGRAM TITLE:

Commercial Energy Survey Program

PROGRAM DESCRIPTION:

The Commercial Energy Survey 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 Commercial Survey 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 ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, 40 surveys were performed under this program. We estimate that another 28 surveys will be performed between August 2011 and December 2011. For January 2012 through December 2012, the goal for the number of program participants is 50

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses are \$84,500.

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 and its rate payers.

**EXHIBIT NO. _____
DOCKET NO. 110002-EG
FLORIDA PUBLIC UTILITIES CO.
(CMM-1)
Page 14 of 21**

PROGRAM TITLE:

Commercial Heating and Cooling 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 ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 4 rebates/incentives issued under this program. We estimate that another 3 rebates/incentives will be issued between August 2011 and December 2011. For January 2012 through December 2012, the goal for the number of program participants is 50.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses for this period are \$16,500.

PROGRAM SUMMARY:

This program provides an opportunity for FPUC commercial 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 Energy Survey Program, bill inserts, promotional materials, newspaper ads, and cable TV we will continue to see a high participation level.

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 ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 248 rebates/incentives issued under this program. We estimate that another 177 rebates/incentives will be issued between August 2011 and December 2011. For January 2012 through December 2012 the goal for the number of program participants is 150.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses are \$96,100.

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, bill inserts, promotional materials, newspaper ads, and cable TV we will continue to see a high participation level.

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 for Tier 1 or a 2.5 cents per watt rebate for Tier 2 participation (\$100 max).

PROGRAM ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 0 rebates/incentives issued under this program. We estimate that 2 rebates/incentives will be issued between August 2011 and December 2011. For January 2012 through December 2012 the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses are \$19,150.

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 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.

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

**SCHEDULE C-5
PAGE 7 OF 10**

PROGRAM TITLE:

Commercial Window Film Installation Program.

PROGRAM DESCRIPTION:

The primary purpose of this program is to reduce peak demand and energy consumption by decreasing the load presented on commercial air-conditioning and heating equipment. To serve this purpose, this program requires that commercial customers install solar window film on eastern facing or western facing windows. Solar window film must have a shading co-efficient of .45 or less. Windows with greater than 50% direct solar exposure are exempt from the incentive.

PROGRAM ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 0 rebates/incentives issued under this program. We estimate that 1 rebate/incentive will be issued between August 2011 and December 2011. For January 2012 through December 2012, the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses for this period are \$16,300

PROGRAM SUMMARY:

Interested commercial customers will send project proposals to Florida Public Utilities Company and a representative will schedule and on-site visit for inspection prior to window film installation. After the project is completed, a Florida Public Utilities Company representative will conduct an on-site post inspection. By following the guidelines, the customer will qualify for a rebate of \$0.50 per square foot of covered area at \$100 maximum per customer.

**EXHIBIT NO. _____
DOCKET NO. 110002-EG
FLORIDA PUBLIC UTILITIES CO.
(CMM-1)
Page 18 of 21**

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

**SCHEDULE C-5
PAGE 8 OF 10**

PROGRAM TITLE:

Commercial Chiller 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 commercial sector. To serve this purpose, this program requires that commercial customers replace their existing chillers with a more efficient system. By doing so, they will qualify for an incentive of up to \$100 per kW of additional savings above the minimum efficiency levels. The program covers water-cooled centrifugal chillers, water-cooled scroll or screw chillers and air-cooled electric chillers. Minimum qualifications for efficiency exist for each of the chiller types.

PROGRAM ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 0 rebates/incentives issued under this program. We estimate that 0 rebates/incentives will be issued between August 2011 and December 2011. For January 2011 through December 2011, the goal for the number of program participants is 1.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses for this period are \$41,850.

PROGRAM SUMMARY:

Interested customers will send project proposals to Florida Public Utilities Company and a representative will schedule an on-site visit for inspection prior to installation. After the project is completed, a Florida Public Utilities Company representative will conduct an on-site inspection. By following the guidelines, the customer will qualify for the rebate.

**EXHIBIT NO. _____
DOCKET NO. 110002-EG
FLORIDA PUBLIC UTILITIES CO.
(CMM-1)
Page 19 of 21**

PROGRAM TITLE:

Solar Water Heating Program

PROGRAM DESCRIPTION:

The primary purpose of the Solar Water Heating Program is to encourage the installation of solar water heaters and thereby reduce the consumption of fossil fuels. Florida Public Utilities Company provides an incentive payment for the installation of a solar water heater. The incentive payments are subject to the cap of \$47,233 for renewable energy programs.

PROGRAM ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 3 rebates/incentives issued under this program. We estimate that 1 rebate/incentive will be issued between August 2011 and December 2011. For January 2012 through December 2012, the goal for the number of program participants is 12.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses for this period are \$11,400.

PROGRAM SUMMARY:

The program is open to all Florida Public Utilities Company customers; however, each customer is entitled to only one incentive for installation of solar water heating. Eligible customers will receive an incentive payment of \$200 for the installation of a solar water heating system. Customers must contact Florida Public Utilities Company who will send an inspector to verify the installation prior to the customer receiving the incentive.

PROGRAM TITLE:

Solar Photovoltaic Program

PROGRAM DESCRIPTION:

The primary purpose of the Solar Photovoltaic program is to encourage the installation of solar photovoltaic systems by customers. Florida Public Utilities Company provides an incentive payment for the installation of a solar photovoltaic system. The incentive payments are subject to the cap of \$47,233 for renewable energy programs.

PROGRAM ACTIVITY AND PROJECTIONS:

From January 2011 through July 2011, there have been 8 rebates/incentives issued under this program. We estimate that 1 rebate/incentive will be issued between August 2011 and December 2011. For January 2012 through December 2012, the goal for the number of program participants is 10.

PROGRAM FISCAL EXPENDITURES:

For January 2012 through December 2012 the projected expenses for this period are \$54,100.

PROGRAM SUMMARY:

The program is open to all Florida Public Utilities Company customers; however, each customer is entitled to only one incentive for installation of a solar photovoltaic system. Eligible customers will receive an incentive payment of up to \$5000. Customers must contact Florida Public Utilities Company who will send an inspector to verify the installation prior to the customer receiving the incentive. Any excess generation from the solar photovoltaic system will be purchased by Florida Public Utilities Company under the terms of Northwest Florida Division Rate Schedule REN-1 or Northeast Florida Division Rate Schedule REN-1.