

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 110002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
JASON VAN HOFFMAN

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Jason Van Hoffman: my business address is P.O. Box 3395 West Palm Beach,
3 Florida 33402.

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

5 A. I am employed by Florida Public Utilities Company as Energy Conservation
6 Manager.

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 Conservation
9 Program costs for the period January 1, 2010 through December 31, 2010 as
10 compared to the true-up amounts previously reported for that period which were
11 based on seven months actual and five months estimated data.

12 Q. Please state the actual amount of over/under recovery of Conservation Program
13 costs for the Consolidated Electric Divisions of Florida Public Utilities Company for
14 January 1, 2010 through December 31, 2010.

15 A. The Company under-recovered \$122,190 during that period. This amount is
substantiated on Schedule CT-3, page 2 of 3, Energy Conservation Adjustment.

16 Q. How does this amount compare with the estimated true-up amount which was
17 allowed by the Commission during the November 2010 hearing?

18 A. We had estimated that we would under-recover \$52,197 as of December 31, 2010.

COM 5
APA 16
ECR 17
GCL 1
RAD 18
SSC
ADM 19
OPC
CLK CF RPR

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

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

4 Q. Does this conclude your testimony?

5 A. Yes.

Docket No. 110002-EG

Composite Exhibit _____(JVH-1)

FLORIDA PUBLIC UTILITIES COMPANY
CONSERVATION COST RECOVERY TRUE-UP

January 1, 2010 through December 31, 2010

Schedules CT

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC
CONSERVATION ADJUSTMENT TRUE-UP

SCHEDULE CT-1
PAGE 1 OF 1

FOR MONTHS January-10 THROUGH December-10

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-10 THROUGH December-10		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>122,043</u>	
5.	INTEREST	<u>147</u>	<u>122,190</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-10 HEARINGS		
8.	PRINCIPAL	<u>52,058</u>	
9.	INTEREST	<u>139</u>	<u>52,197</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>69,993</u>

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(JVH-1)
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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC
 ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS PROJECTED

SCHEDULE CT-2
 PAGE 1 OF 3

	FOR MONTHS	January-10	THROUGH	December-10	
		<u>ACTUAL</u>		<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1.	LABOR/PAYROLL	204,984		219,183	(14,199)
2.	ADVERTISING	277,090		218,210	58,880
3.	LEGAL	10,534		11,448	(914)
4.	OUTSIDE SERVICES/CONTRACT	31,251		39,438	(8,187)
5.	VEHICLE COST	20,114		5,389	14,725
6.	MATERIAL & SUPPLIES	77,587		19,090	58,497
7.	TRAVEL	10,121		1,478	8,643
8.	GENERAL & ADMIN	13,115		39,415	(26,300)
9.	INCENTIVES	47,910		25,330	22,580
10.	OTHER	625		45,166	(44,541)
11.	SUB-TOTAL	693,331		624,147	69,184
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	693,331		624,147	69,184
14.	LESS: PRIOR PERIOD TRUE-UP	24,452		24,452	0
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(595,740)		(596,541)	801
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	122,043		52,058	69,985
19.	ADD INTEREST PROVISION	147		139	8
20.	END OF PERIOD TRUE-UP	122,190		52,197	69,993

() REFLECTS OVERRECOVERY
 * 7 MONTHS ACTUAL AND 5 MONTHS PROJECTED

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ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-10 THROUGH December-10

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1.													0
2.													0
3.													0
4.													0
5.													0
6.													0
7.													0
8.													0
9.													0
10. Common	144,163	84,609	10,534	28,227	12,097	72,741	8,912	10,859	15,251	625	388,018		388,018
11. Residential Geothermal Heat Pump	0	6,488	0	0	0	0	0	816	0	0	7,304		7,304
12. GoodCents Home/Energy Star Program	0	8,385	0	0	0	0	0	0	0	0	8,385		8,385
13. GoodCents Energy Survey Program	57,501	87,479	0	0	7,598	1,189	1,158	1,440	6,689	0	163,054		163,054
14. GoodCents Loan Program	0	0	0	0	0	(30)	0	0	(30)	0	(60)		(60)
15. GoodCents Commercial Building Program	0	6,236	0	0	0	0	0	0	0	0	6,236		6,236
16. GoodCents Commercial Tech. Assist. Program	1,097	61,716	0	3,024	0	1,037	0	0	0	0	66,874		66,874
17. Low Income	0	0	0	0	0	0	0	0	0	0	0		0
18. Affordable Housing Builders & Providers Program	0	0	0	0	0	0	0	0	0	0	0		0
19. Residential Heat and Cool Eff. Upgrade Program	824	6,597	0	0	140	100	0	0	24,600	0	32,261		32,261
20. Residential Ceiling Insuation Upgrade Program	700	5,985	0	0	181	0	51	0	1,400	0	8,317		8,317
21. Comm. Indoor Eff. Light. Rebate Program	60	6,486	0	0	17	0	0	0	0	0	6,563		6,563
22. Educ./Conserv. Demo. And Devel. Program	639	3,109	0	0	81	2,550	0	0	0	0	6,379		6,379
											0		0
TOTAL ALL PROGRAMS	204,984	277,090	10,534	31,251	20,114	77,587	10,121	13,115	47,910	625	693,331	0	693,331

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

FOR MONTHS January-10 THROUGH December-10

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10. Common	18,286	22,407	(914)	773	6,708	60,181	7,434	(25,679)	15,251	(42,789)	61,658	0	61,658
11. Residential Geothermal Heat Pump	0	6,488	0	0	0	0	0	816	0	0	7,304	0	7,304
12. GoodCents Home/Energy Star Program	(19,660)	(9,775)	0	(8,490)	0	(1,850)	0	(2,890)	0	0	(42,665)	0	(42,665)
13. GoodCents Energy Survey Program	762	16,109	0	0	7,598	(3,491)	1,158	1,458	6,689	(750)	29,533	0	29,533
14. GoodCents Loan Program	0	0	0	0	0	(30)	0	30	(30)	0	(30)	0	(30)
15. GoodCents Commercial Building Program	(5,190)	1,176	0	0	0	0	0	0	0	0	(4,014)	0	(4,014)
16. GoodCents Commercial Tech. Assist. Program	(7,250)	16,203	0	(470)	0	1,037	0	(35)	0	(1,002)	8,483	0	8,483
17. Low Income	0	0	0	0	0	0	0	0	0	0	0	0	0
18. Affordable Housing Builders & Providers Program	0	0	0	0	0	0	0	0	0	0	0	0	0
19. Residential Heat and Cool Eff. Upgrade Program	(1,160)	4,467	0	0	140	100	0	0	6,700	0	10,247	0	10,247
20. Residential Ceiling Insulation Upgrade Program	111	4,375	0	0	181	0	51	0	(3,540)	0	1,178	0	1,178
21. Comm. Indoor Eff. Light. Rebate Program	(17)	2,776	0	0	17	0	0	0	(2,490)	0	286	0	286
22. Educ./Conserv. Demo. And Devel. Program	(81)	(5,346)	0	0	81	2,550	0	0	0	0	(2,796)	0	(2,796)
TOTAL ALL PROGRAMS	(14,199)	58,880	(914)	(8,187)	14,725	58,497	8,643	(26,300)	22,580	(44,541)	69,184	0	69,184

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

FOR MONTHS January-10 THROUGH December-10

A. CONSERVATION EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.													0
2.													0
3.													0
4.													0
5.													0
6.													0
7.													0
8.													0
9.													0
10. Common	15,738	23,962	58,956	40,204	27,362	42,349	28,588	25,526	15,485	34,102	35,366	40,380	388,018
11. Residential Geothermal Heat Pump	0	0	0	0	0	0	0	0	2,057	1,243	0	4,004	7,304
12. GoodCents Home/Energy Star Program	0	0	0	0	0	0	0	0	0	2,399	3,976	2,010	8,385
13. GoodCents Energy Survey Program	5,409	17,600	15,351	10,230	7,574	22,716	10,941	12,879	18,937	4,180	21,281	15,956	163,054
14. GoodCents Loan Program	0	0	(10)	0	(10)	0	(10)	0	0	(10)	(10)	(10)	(60)
15. GoodCents Commercial Building Program	0	250	0	0	0	0	0	750	(750)	0	3,976	2,010	6,236
16. GoodCents Commercial Tech. Assist. Program	5,552	6,751	2,764	4,828	2,560	18,866	6,670	9,308	4,012	(3,695)	3,014	6,244	66,874
17. Low Income	0	0	0	0	0	0	0	0	0	0	0	0	0
18. Affordable Housing Builders & Providers Program	0	0	0	0	0	0	0	0	0	0	0	0	0
19. Residential Heat and Cool Eff. Upgrade Program	3,773	2,249	2,150	1,441	3,650	3,126	(25)	8,400	1,361	(50)	4,176	2,010	32,261
20. Residential Ceiling Insulation Upgrade Program	567	197	300	400	0	424	0	343	100	0	3,976	2,010	8,317
21. Comm. Indoor Eff. Light. Rebate Program	0	0	75	0	0	252	250	0	0	0	3,976	2,010	6,563
22. Educ./Conserv. Demo. And Devel. Program	0	0	0	2,370	2,448	1,332	2,474	(4,795)	0	0	2,550	0	6,379
													0
21. TOTAL ALL PROGRAMS	31,039	51,009	79,586	59,473	43,584	89,065	48,888	52,411	41,202	38,169	82,281	76,624	693,331
22. LESS AMOUNT INCLUDED IN RATE BASE													
23. RECOVERABLE CONSERVATION EXPENSES	31,039	51,009	79,586	59,473	43,584	89,065	48,888	52,411	41,202	38,169	82,281	76,624	693,331

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-10 THROUGH December-10

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													0
2. CONSERVATION ADJ. REVENUES	(53,971)	(49,502)	(48,969)	(43,299)	(39,005)	(48,511)	(59,101)	(61,263)	(57,458)	(48,174)	(40,020)	(46,467)	(595,740)
3. TOTAL REVENUES	(53,971)	(49,502)	(48,969)	(43,299)	(39,005)	(48,511)	(59,101)	(61,263)	(57,458)	(48,174)	(40,020)	(46,467)	(595,740)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,038	2,034	24,452
5. CONSERVATION REVENUE APPLICABLE	(51,933)	(47,464)	(46,931)	(41,261)	(36,967)	(46,473)	(57,063)	(59,225)	(55,420)	(46,136)	(37,982)	(44,433)	(571,288)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	31,039	51,009	79,586	59,473	43,584	89,065	48,888	52,411	41,202	38,169	82,281	76,624	693,331
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(20,894)	3,545	32,655	18,212	6,617	42,592	(8,175)	(6,814)	(14,218)	(7,967)	44,299	32,191	122,043
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	2	0	3	8	11	21	22	18	15	10	15	22	147
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	24,452	1,522	3,029	33,649	49,831	54,421	94,996	84,805	75,971	59,730	49,735	92,011	24,452
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,038)	(2,034)	(24,452)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	1,522	3,029	33,649	49,831	54,421	94,996	84,805	75,971	59,730	49,735	92,011	122,190	122,190

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-10 THROUGH December-10

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	24,452	1,522	3,029	33,649	49,831	54,421	94,996	84,805	75,971	59,730	49,735	92,011	24,452
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	1,520	3,029	33,646	49,823	54,410	94,975	84,783	75,953	59,715	49,725	91,996	122,168	122,043
3.	TOTAL BEG. AND ENDING TRUE-UP	25,972	4,551	36,675	83,472	104,241	149,396	179,779	160,758	135,686	109,455	141,731	214,179	146,495
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	12,986	2,276	18,338	41,736	52,121	74,698	89,890	80,379	67,843	54,728	70,866	107,090	73,248
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.20%	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.25%	0.25%	0.25%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.25%	0.25%	0.25%	0.25%	
7.	TOTAL (LINE C-5 + C-6)	0.40%	0.41%	0.42%	0.44%	0.57%	0.69%	0.63%	0.56%	0.53%	0.50%	0.50%	0.50%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.20%	0.21%	0.21%	0.22%	0.29%	0.35%	0.32%	0.28%	0.27%	0.25%	0.25%	0.25%	
9.	MONTHLY AVERAGE INTEREST RATE	0.017%	0.017%	0.018%	0.018%	0.024%	0.029%	0.026%	0.023%	0.022%	0.021%	0.021%	0.021%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	2	0	3	8	11	21	22	18	15	10	15	22	147

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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

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

FOR MONTHS January-10 THROUGH December-10

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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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

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

FOR MONTHS January-10 THROUGH December-10

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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1. Residential Geothermal Heat Pump Program
2. Good Cents Home/EnergyStar Program
3. Good Cents Energy Survey Program
4. Good Cents Commercial Building Program
5. Good Cents Commercial Energy Survey & Technical Assistance Program
6. Educational/Low Income Program
7. Educational/ Affordable Housing Builders and Providers Program
8. Good Cents Heating & Cooling Upgrade
9. Good Cents Ceiling Insulation Upgrade
10. Good Cents Commercial Indoor Efficient Lighting Rebate
11. Conservation Demonstration and Development Program

PROGRAM TITLE: Residential Geothermal Heat Pump Program

PROGRAM DESCRIPTION: The objective of the Residential Geothermal Heat Pump Program is to reduce the demand and energy requirements of new and existing residential customers through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps provide significant benefits to participating customers in the form of reduced operating costs and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. Florida Public Utilities Company's Geothermal Heat Pump Program is designed to overcome existing market barriers, specifically lack of consumer awareness, knowledge and acceptance of this technology.

Florida Public Utilities Company continued this program over a sustained period to educate consumers on geothermal technology and raise awareness about the availability, affordability, and improved customer satisfaction associated with these units. This commitment is necessary to foster a stable market for this promising technology. Not only will this increase customer and trade ally confidence, it will serve to encourage competition within this technology market and reduce the impact of the higher initial cost.

PROGRAM ACCOMPLISHMENTS: There were no participants during 2010. Even though there are no goals for this program we continue to promote this technology to our customers and HVAC partners.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$7,304.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to promote this energy efficient technology.

PROGRAM TITLE: "Good Cents" Home/Energy Star Program

PROGRAM DESCRIPTION: This type of program has long been the standard for energy efficient construction in Northwest Florida. For Florida Public Utilities Company and our customers, this program provides guidance concerning energy efficiency in new construction by promoting energy efficient home construction techniques, and by evaluating the energy efficient components of design and construction practices.

PROGRAM ACCOMPLISHMENTS: During 2010 no homes were certified under this program during this reporting period due to the home construction industry slowdown.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$8,385.

PROGRAM PROGRESS SUMMARY: We will continue to enhance our efforts in promoting contractor participation in this type of program and the benefits of owning energy efficient homes.

PROGRAM TITLE: "Good Cents" Energy Survey Program

PROGRAM DESCRIPTION: The objective of the this type of survey is to provide Florida Public Utilities Company's residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. These measures, once implemented, also lower Florida Public Utilities Company's energy requirements and improve operating efficiencies. 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 393 energy surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$163,054.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through newspaper, radio, and television that we will continue to provide valuable advice to our customers on conservation measures and practices.

PROGRAM TITLE: "Good Cents" 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 overall success of this program lies in its ability to address this diversity by focusing on the common characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak kW demand are the thermal efficiency of the building and HVAC equipment efficiency. This program provides requirements for these areas that, if adhered to, will help reduce peak kW demand and energy consumption.

The promotion of this program through the years has created 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 Florida Public Utilities Company.

This 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. Florida Public Utilities Company's continuing efforts to influence the market toward high-efficiency equipment and quality construction standards are the foundation of such a commercial building program.

PROGRAM ACCOMPLISHMENTS: This year no commercial buildings were certified most likely due to the very tight economy, however since the program began during 2005, there have been 32 commercial buildings certified under this program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$6,236.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this and complimentary programs through newspaper, radio, and television that we will continue to provide valuable advice to our customers on conservation measures and practices.

PROGRAM TITLE: "Good Cents" Commercial Technical Assistance Audit Program

PROGRAM DESCRIPTION: The Technical Assistance Audit (TAA) Program is an interactive program that assists commercial customers 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 of the customer's facility operation, equipment, and energy usage pattern by a Florida Public Utilities Company Conservation Specialist. The specialist identifies all 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. 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 42 audits were complete during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$66,874.

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: Low Income

PROGRAM DESCRIPTION: Florida Public Utilities Company presently has energy education programs that identify low-cost and no-cost energy conservation measures. To better assist low-income customers in managing their energy purchases, the presentations and formats 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 the free energy surveys that Florida Public Utilities Company currently offers.

PROGRAM ACCOMPLISHMENTS: Even though there are no goals for this program we continue to work through various agencies to provide home energy surveys to low income customers as well as evaluating homes for local agencies for possible energy efficiency improvements.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$0.

PROGRAM PROGRESS SUMMARY: Even though this year there was not any special events or presentations directly related to Low Income customers we will continue to promote the opportunity to educate low-income customers on the benefits of an energy efficient home.

PROGRAM TITLE: Affordable Housing Builders and Providers

PROGRAM DESCRIPTION: Florida Public Utilities Company will identify the affordable housing builders within the service area and will encourage them to attend educational seminars and workshops related to energy efficient construction, retrofit programs, and financing programs. The Company will also encourage them to participate in our other residential programs. Florida Public Utilities Company will work with the Florida Energy Extension Service and other seminar sponsors to offer to facilitate a minimum of two seminars and/or workshops per year. Florida Public Utilities Company will work with all sponsors to reduce or eliminate attendance fees for affordable housing providers.

PROGRAM ACCOMPLISHMENTS: Even though there are no goals for this program we continue to promote energy efficient construction to affordable housing providers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$0.

PROGRAM PROGRESS SUMMARY: This program is no longer offered as reflected in our 2008 report.

PROGRAM TITLE: Residential Heating & 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.

PROGRAM ACCOMPLISHMENTS: For the reporting period 268 customers participated in the residential heating and cooling efficiency upgrade program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$32,261.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to promote this energy efficient technology.

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. By doing so, they will qualify for an incentive of \$100.00 in the form of an Insulation Certificate that may be applied to the total cost of installing the added ceiling insulation.

Interested residential customers must request a free ceiling insulation inspection. Florida Public Utilities Company 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 for the \$100 Insulation Certificate. If the customer desires it, Florida Public Utilities Company will also help them find a qualified contractor to do the needed upgrade.

PROGRAM ACCOMPLISHMENTS: For the reporting period 25 customers participated in the residential ceiling insulation upgrade program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$8,317.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to promote this energy efficient technology.

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¢ per watt reduced.

PROGRAM ACCOMPLISHMENTS: There were no participants in this program although there were several businesses that were evaluated to determine if they met the criteria to participate in the program. We have aggressively tried to promote this program and expect participation in 2011.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$6,563.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to promote this energy efficient technology.

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 Florida Public Utilities Company.

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 ACCOMPLISHMENTS: Even though there are no goals for this program we continue to explore new technologies for applicability to this program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2010 through December 31, 2010 were \$6,379.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we will strive to continue our efforts to look for new technologies and market barriers.