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April 29, 2010

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10 APR 29 PM 1:13
COMMISSION
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VIA HAND DELIVERY

Ms. Ann Cole
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

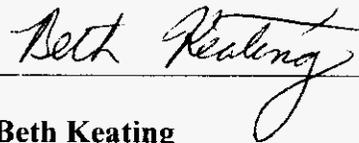
Re: Docket No. 100004-GU – Natural Gas Conservation Cost Recovery Clause.

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of Florida Public Utilities Company's Petition for Approval of Natural Gas Conservation Cost Recovery True-Up Amount and the Direct Testimony and Exhibit MLS-1 of Mr. Marc L. Schneidermann.

Your assistance in this matter is greatly appreciated.

Sincerely,



Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

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Enclosures

DOCUMENT NUMBER 0411

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation) Docket No. 100004-GU
Cost Recovery Clause.)
_____) Filed: April 29, 2010

**PETITION FOR APPROVAL OF CONSERVATION COST RECOVERY
TRUE-UP AMOUNT FOR FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company ("FPUC" or "the Company") hereby files its petition for approval of its natural gas conservation cost recovery true-up amount related to the twelve month period ended December 31, 2009. In support of this Petition, FPUC states:

1. The Company is a natural gas utility with its principal office located at:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating
Akerman Senterfitt
106 East College Avenue
Suite 1200
Tallahassee, Florida 32301

Cheryl Martin
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-
33958

3. Pursuant to the requirements in this docket, FPUC, concurrently with the filing of this petition, files testimony and conservation cost recovery true-up schedules (Exhibit MLS-1) for the period, consisting of the CT schedule reporting forms supplied by the Commission Staff.
4. As indicated in the testimony of Mr. Marc L. Schneidermann, for the period January 2009 through December 2009, the Company over-recovered \$448,334, as compared to its estimated over-recovery of \$463,735, resulting in an adjusted end of period total true up amount of \$15,401.

WHEREFORE, FPUC respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2009 through December 31, 2009.

RESPECTFULLY SUBMITTED this 29th day of April 2010.



Beth Keating
Akerman Senterfitt Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301
(850) 224-9634

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPUC's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 100004-GU has been furnished by regular U.S. Mail to the following parties of record this 29th day of April 2010:

| | |
|--|---|
| Florida Public Utilities Company 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 | Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 |
| Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111 | St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 |
| TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111 | AGL Resources Inc. Elizabeth Wade/David Weaver Ten Peachtree Place Location 1470 Atlanta, GA 30309 |
| Florida City Gas Melvin Williams 933 East 25 th Street Hialeah, FL 33013-3498 | Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 |
| | |

| | |
|--|--|
| Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960 | Indiantown Gas Company Brian J. Powers P.O. Box 8 Indiantown, FL 34956-0008 |
| Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 | Robert Scheffel Wright/ John T. LaVia 225 South Adams Street, Suit 200 Tallahassee, FL 32301 |


Beth Keating
Akerman Senterfitt, Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 100004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
MARC L.
SCHNEIDERMANN

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Marc L. Schneidermann: my business address is 401 S. Dixie
3 Highway, 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 Corporate Services.

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, 2009 through
10 December 31, 2009 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, 2009 through December 31,
16 2009.

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1 A. The Company over-recovered \$448,334 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 \$463,735 as of
7 December 31, 2009.

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 MLS-1).

11 Q. Does this conclude your testimony?

12 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-09 THROUGH December-09

| | | | |
|-----|---|------------------|------------------|
| 1. | ADJUSTED END OF PERIOD TOTAL NET TRUE-UP | | |
| 2. | FOR MONTHS January-09 THROUGH December-09 | | |
| 3. | END OF PERIOD NET TRUE-UP | | |
| 4. | PRINCIPAL | <u>(446,096)</u> | |
| 5. | INTEREST | <u>(2,238)</u> | <u>(448,334)</u> |
| 6. | LESS PROJECTED TRUE-UP | | |
| 7. | November-05 (DATE) HEARINGS | | |
| 8. | PRINCIPAL | <u>(461,372)</u> | |
| 9. | INTEREST | <u>(2,363)</u> | <u>(463,735)</u> |
| 10. | ADJUSTED END OF PERIOD TOTAL TRUE-UP | | <u>15,401</u> |

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(MLS-1)
PAGE 1 OF 18

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

| | FOR MONTHS | January-09 | THROUGH | December-09 | |
|-----|----------------------------------|---------------|---------|------------------|-------------------|
| | | <u>ACTUAL</u> | | <u>PROJECTED</u> | <u>DIFFERENCE</u> |
| 1. | Labor/Payroll | 537,466 | | 633,870 | (96,404) |
| 2. | Advertisement | 429,522 | | 433,703 | (4,181) |
| 3. | Legal | 19,677 | | 6,985 | 12,692 |
| 4. | Outside Services | 47,670 | | 29,984 | 17,686 |
| 5. | Vehicle | 25,673 | | 33,781 | (8,108) |
| 6. | Materials & Supplies | 12,139 | | 6,036 | 6,103 |
| 7. | Travel | 1,666 | | 1,019 | 647 |
| 8. | General & Administrative | 4,455 | | 3,800 | 655 |
| 9. | Incentives | 572,205 | | 641,776 | (69,571) |
| 10. | Other | 51,568 | | 72,591 | (21,023) |
| 11. | SUB-TOTAL | 1,702,041 | | 1,863,545 | (161,504) |
| 12. | PROGRAM REVENUES | | | | |
| 13. | TOTAL PROGRAM COSTS | 1,702,041 | | 1,863,545 | (161,504) |
| 14. | LESS: PRIOR PERIOD TRUE-UP | (381,259) | | (381,259) | |
| 15. | AMOUNTS INCLUDED IN RATE BASE | | | | |
| 16. | CONSERVATION ADJ REVENUE | (1,766,878) | | (1,943,658) | 176,780 |
| 17. | ROUNDING ADJUSTMENT | | | | |
| 18. | TRUE-UP BEFORE INTEREST | (446,096) | | (461,372) | 15,276 |
| 19. | ADD INTEREST PROVISION | (2,238) | | (2,363) | 125 |
| 20. | END OF PERIOD TRUE-UP | (448,334) | | (463,735) | 15,401 |

() REFLECTS OVERRECOVERY

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-09 THROUGH December-09

| 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 | 29,655 | 26,527 | | 1,064 | 1,487 | 3,727 | 808 | 145 | 133,050 | 7,154 | 203,617 | | 203,617 |
| 2. Residential Appliance Replacement Program | 59,763 | 84,893 | | | 2,605 | 1,098 | | | 113,730 | 3,173 | 265,262 | | 265,262 |
| 3. Conservation Education Program | 144 | 32,333 | | | | 1,098 | | | | 8,834 | 42,409 | | 42,409 |
| 4. Space Conditioning Program | 12,648 | | | | 451 | | | | | 1,863 | 14,962 | | 14,962 |
| 5. Residential Conservation Service Program | 913 | 8,410 | | 346 | | 572 | | 145 | | 271 | 10,657 | | 10,657 |
| 6. Residential Appliance Retention Program | 71,188 | 84,787 | | | 1,874 | 572 | | | 325,075 | 704 | 484,200 | | 484,200 |
| 7. Dealer / Contractor | | | | | | | | | | | | | |
| 10. Commercial Conservation Service Program | 6,910 | 11,561 | | 15,175 | 493 | 1,348 | | | | 1,317 | 36,804 | | 36,804 |
| 12 | | | | | | | | | | | | | |
| 13. Residential Service Reactivation Program | | 1,597 | | | | | | | 350 | | 1,947 | | 1,947 |
| 14. Common | 356,245 | 179,414 | 19,677 | 31,085 | 18,763 | 3,724 | 858 | 4,165 | | 28,252 | 642,183 | | 642,183 |
| TOTAL ALL PROGRAMS | 537,466 | 429,522 | 19,677 | 47,670 | 25,673 | 12,139 | 1,666 | 4,455 | 572,205 | 51,568 | 1,702,041 | | 1,702,041 |

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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-09 THROUGH December-09

| 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 | (6,380) | 717 | | (729) | (1,292) | 3,390 | | 145 | (63,523) | (10,631) | (78,303) | | (78,303) |
| 2. Residential Appliance Replacement Program | 818 | 15,927 | | | (321) | 488 | | | 2,830 | (4,204) | 15,338 | | 15,338 |
| 3. Conservation Education Program | (110) | (3,850) | | | | (803) | | | | 7,273 | 2,510 | | 2,510 |
| 4. Space Conditioning Program | 1,129 | | | | (74) | (537) | | | | 1,863 | 2,381 | | 2,381 |
| 5. Residential Conservation Service Program | (2,018) | (6,912) | | 346 | (364) | 198 | | 145 | | (5,019) | (13,624) | | (13,624) |
| 6. Residential Appliance Retention Program | (3,635) | 6,501 | | | (220) | 572 | | | (8,463) | (4,956) | (10,201) | | (10,201) |
| 7. Dealer / Contractor | | | | | | | | | | | | | |
| 10. Commercial Conservation Service Program | (387) | (3,574) | | 5,132 | 11 | 1,348 | | | | (1,694) | 836 | | 836 |
| 12. Residential Service Reactivation Program | (33) | 889 | | | | | | | (215) | | 641 | | 641 |
| 14. Common | (85,788) | (13,879) | 12,692 | 12,937 | (5,848) | 1,447 | 647 | 365 | | (3,655) | (81,082) | | (81,082) |
| TOTAL ALL PROGRAMS | (96,404) | (4,181) | 12,692 | 17,686 | (8,108) | 6,103 | 647 | 655 | (69,571) | (21,023) | (161,504) | | (161,504) |

EXHIBIT NO. _____
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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-09 THROUGH December-09

| 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 | 4,442 | 15,846 | 12,021 | 12,731 | 25,361 | 16,467 | 13,098 | 21,828 | 13,155 | 22,948 | 11,396 | 34,324 | 203,617 |
| 2. | Residential Appliance Replacement Program | 9,760 | 15,462 | 15,272 | 15,528 | 23,362 | 26,747 | 17,983 | 24,327 | 37,197 | 37,645 | 11,417 | 30,562 | 265,262 |
| 3. | Conservation Education Program | 74 | (20) | 4,660 | 430 | 1,998 | 2,329 | 1,557 | 6,178 | 7,111 | 15,552 | (2,824) | 5,364 | 42,409 |
| 4. | Space Conditioning Program | 1,095 | 806 | 906 | 1,146 | 2,269 | 1,144 | 1,074 | 938 | 818 | 1,053 | 2,752 | 961 | 14,962 |
| 5. | Residential Conservation Service Program | | | 4,084 | 716 | 18 | 710 | | 379 | 608 | 3,563 | 79 | 500 | 10,657 |
| 6. | Residential Appliance Retention Program | 47,295 | 37,714 | 46,226 | 39,036 | 41,879 | 40,751 | 32,074 | 33,604 | 48,404 | 43,769 | 26,046 | 47,402 | 484,200 |
| 7. | Dealer / Contractor | | | | | | | | | | | | | |
| 10. | Commercial Conservation Service Program | 886 | 1,157 | 10,374 | 87 | 1,321 | 1,034 | 1,348 | 579 | 11,964 | 5,266 | 924 | 1,864 | 36,804 |
| 12. | | | | | | | | | | | | | | |
| 13. | Residential Service Reactivation Program | | | 282 | | | | | | 350 | | | 1,315 | 1,947 |
| 14. | Common | 33,287 | 49,759 | 112,471 | 39,010 | 20,896 | 53,596 | 66,485 | 44,613 | 88,833 | 48,631 | 20,405 | 64,197 | 642,183 |
| 15. | | | | | | | | | | | | | | |
| 16. | | | | | | | | | | | | | | |
| 17. | | | | | | | | | | | | | | |
| 18. | | | | | | | | | | | | | | |
| 19. | | | | | | | | | | | | | | |
| 20. | | | | | | | | | | | | | | |
| 21. | TOTAL ALL PROGRAMS | 96,839 | 120,724 | 206,296 | 108,684 | 117,104 | 142,778 | 133,619 | 132,446 | 208,440 | 178,427 | 70,195 | 186,489 | 1,702,041 |
| 22. | LESS AMOUNT INCLUDED IN RATE BASE | | | | | | | | | | | | | |
| 23. | RECOVERABLE CONSERVATION EXPENSES | 96,839 | 120,724 | 206,296 | 108,684 | 117,104 | 142,778 | 133,619 | 132,446 | 208,440 | 178,427 | 70,195 | 186,489 | 1,702,041 |

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-09 THROUGH December-09

| B. | CONSERVATION REVENUES | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-----|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| 1. | RESIDENTIAL CONSERVATION | | | | | | | | | | | | | |
| 2. | CONSERVATION ADJ. REVENUES | (202,387) | (222,241) | (225,601) | (166,836) | (137,280) | (121,528) | (104,970) | (99,013) | (101,831) | (99,068) | (124,967) | (161,156) | (1,766,878) |
| 3. | TOTAL REVENUES | (202,387) | (222,241) | (225,601) | (166,836) | (137,280) | (121,528) | (104,970) | (99,013) | (101,831) | (99,068) | (124,967) | (161,156) | (1,766,878) |
| 4. | PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD | (31,767) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (31,772) | (381,259) |
| 5. | CONSERVATION REVENUE APPLICABLE | (234,154) | (254,013) | (257,373) | (198,608) | (169,052) | (153,300) | (136,742) | (130,785) | (133,603) | (130,840) | (156,739) | (192,928) | (2,148,137) |
| 6. | CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23) | 96,839 | 120,724 | 206,296 | 108,684 | 117,104 | 142,778 | 133,619 | 132,446 | 208,440 | 178,427 | 70,195 | 186,489 | 1,702,041 |
| 7. | TRUE-UP THIS PERIOD (LINE 5 - 6) | (137,315) | (133,289) | (51,077) | (89,924) | (51,948) | (10,522) | (3,123) | 1,661 | 74,837 | 47,587 | (86,544) | (6,439) | (446,096) |
| 8. | INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10) | (241) | (349) | (326) | (254) | (198) | (184) | (180) | (145) | (115) | (90) | (79) | (77) | (2,238) |
| 9. | TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH | (381,259) | (487,048) | (588,914) | (608,545) | (666,951) | (687,325) | (666,259) | (637,790) | (604,502) | (498,008) | (418,739) | (473,590) | (381,259) |
| 9A. | DEFERRED TRUE-UP BEGINNING OF PERIOD | | | | | | | | | | | | | |
| 10. | PRIOR TRUE-UP COLLECTED (REFUNDED) | 31,767 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 31,772 | 381,259 |
| 11. | TOTAL NET TRUE-UP (LINES 7+8+9+9A+10) | (487,048) | (588,914) | (608,545) | (666,951) | (687,325) | (666,259) | (637,790) | (604,502) | (498,008) | (418,739) | (473,590) | (448,334) | (448,334) |

EXHIBIT NO. _____
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-09 THROUGH December-09

| C. INTEREST PROVISION | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|
| 1. BEGINNING TRUE-UP (LINE B-9) | (381,259) | (487,048) | (588,914) | (608,545) | (666,951) | (687,325) | (666,259) | (637,790) | (604,502) | (496,008) | (418,739) | (473,590) | (381,259) |
| 2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10) | (486,807) | (588,565) | (608,219) | (666,697) | (687,127) | (666,075) | (637,610) | (604,357) | (497,893) | (418,649) | (473,511) | (448,257) | (446,096) |
| 3. TOTAL BEG. AND ENDING TRUE-UP | (868,066) | (1,075,613) | (1,197,133) | (1,275,242) | (1,354,078) | (1,353,400) | (1,303,869) | (1,242,147) | (1,102,395) | (916,657) | (892,250) | (921,847) | (827,355) |
| 4. AVERAGE TRUE-UP (LINE C-3 X 50%) | (434,033) | (537,807) | (598,567) | (637,621) | (677,039) | (676,700) | (651,935) | (621,074) | (551,198) | (458,329) | (446,125) | (460,924) | (413,678) |
| 5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH | 0.54% | 0.79% | 0.75% | 0.55% | 0.40% | 0.30% | 0.35% | 0.30% | 0.25% | 0.25% | 0.22% | 0.20% | |
| 6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH | 0.79% | 0.75% | 0.55% | 0.40% | 0.30% | 0.35% | 0.30% | 0.25% | 0.25% | 0.22% | 0.20% | 0.20% | |
| 7. TOTAL (LINE C-5 + C-6) | 1.33% | 1.54% | 1.30% | 0.95% | 0.70% | 0.65% | 0.65% | 0.55% | 0.50% | 0.47% | 0.42% | 0.40% | |
| 8. AVG. INTEREST RATE (C-7 X 50%) | 0.67% | 0.77% | 0.65% | 0.48% | 0.35% | 0.33% | 0.33% | 0.28% | 0.25% | 0.24% | 0.21% | 0.20% | |
| 9. MONTHLY AVERAGE INTEREST RATE | 0.055% | 0.064% | 0.054% | 0.040% | 0.029% | 0.027% | 0.027% | 0.023% | 0.021% | 0.020% | 0.018% | 0.017% | |
| 10. INTEREST PROVISION (LINE C-4 X C-9) | (241) | (349) | (326) | (254) | (198) | (184) | (180) | (145) | (115) | (90) | (79) | (77) | (2,238) |

EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(MLS-1)
PAGE 7 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-09 THROUGH December-09

| 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. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(MLS-1)
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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-09 THROUGH December-09

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

**EXHIBIT NO. _____
DOCKET NO. 100004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(MLS-1)
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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 498 incentives were paid. Totals for the types of new construction rebates are as follows: Furnaces 191, Tank-less water heaters 27, Storage tank style water heaters 146, Ranges 118, Dryers 89.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31, 2009 were \$203,617.

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 892 incentives were paid. There were Furnaces 62, Tank-less water heaters 83, Storage tank style water heaters 529, Ranges 122, Dryers 96.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31, 2009 were \$265,262.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period FPUC has retained 7,199 natural gas hot water heaters.

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 735 incentives were paid. There we 52 heating (furnaces), 166 tankless water heater, 323 storage tank style water heaters, 64 dryers, and 130 ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31 2009 were \$484,200.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period FPUC has retained 5,627 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 1 incentive was paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31, 2009 were \$1,947.

PROGRAM PROGRESS SUMMARY: FPSC approval of this program occurred on August 29, 2000. From inception through the reporting period one residential service has been reactivated 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 14 surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31, 2009 were \$10,657.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 117 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 no surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31 2009 were \$36,804.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1st 2000. From the inception of this program through the reporting period 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 directly reaching at least 61 customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31, 2009 were \$42,409.

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 2009.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2009 through December 31 2009 were \$14,962.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31st 2009 FPUC has connected 10 space conditioning projects to its natural gas system.