

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 990002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

ORIGINAL

Direct Testimony of
MICHAEL A. PEACOCK
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Michael A. Peacock: my business address is P.O.
3 Box 610 Marianna, Florida 32446.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities
6 Company as Manager of Customer Relations.
- 7 Q. What is the purpose of your testimony at this
8 time?
- 9 A. To Advise the Commission as to the Conservation
10 Cost Recover Clause Calculation for the period
11 January, 2000 through December, 2000.
- 12 Q. What respectively are the total projected costs
13 for the period January 2000 through December,
14 2000 in the Marianna Division and the Fernandina
15 Beach Division?
- 16 A. For the Marianna Division, the total projected
17 Conservation Program Costs are \$145,900. For
18 the Fernandina Beach Division, the total
19 projected Conservation Program Costs are

1 \$149,400. For each Division, please see its
2 respective Schedule C-2, page 2, for the
3 programmatic and functional breakdown of these
4 total costs.

5 Q. For each division, what is the true-up amount to
6 be applied to determine the projected net total
7 costs for the period January, 1999 through
8 December, 1999.

9 A. As reflected in the respective "C" Schedules,
10 the true-up amount for the Marianna Division is
11 (\$30,228). In the Fernandina Beach Division the
12 true-up is (\$45,130). These amounts are based
13 upon eight months actual and four months
14 estimated data.

15 Q. For each division, what are the resulting net
16 total projected conservation costs to be
17 recovered during this period?

18 A. For the Marianna Division the net total costs
19 to be recovered are \$115,672. For the
20 Fernandina Beach Division the net total costs
21 to be recovered are \$104,270.

22 Q. For each division, what is the Conservation
23 Adjustment Factor necessary to recover these
24 projected net total costs?

25 A. For the Marianna Division, the Conservation
26 Adjustment Factor is \$.00043 per KWH. For the

1 Fernandina Beach Division, the factor is
2 \$.00027 per KWH.

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

5 A. Yes. I wish to sponsor as exhibits for each
6 division Schedules C-1, C-2, C-3, C-4, and C-5
7 (Composite Prehearing Identification Number
8 MAP-3), which have been filed with this
9 testimony.

10 Q. Does this conclude your testimony?

11 A. Yes

12
13 conservation disk/peactest.99)

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-00 THROUGH December-00

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>145,900</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(30,228)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>115,672</u>
4.	RETAIL KWH/THERM SALES	<u>271,482,000</u>
5.	COST PER KWH/THERM	<u>0.00042608</u>
6.	REVENUE TAX MULTIPLIER	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00042600</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u><u>0.00043</u></u>

EXHIBIT NO. _____
DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(MAP-3)
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ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-00 THROUGH December-00

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct Leakage Repair	900	900	900	900	900	900	900	900	900	900	900	1,200	11,100
3. Residential Geothermal Heat Pump	500	500	500	500	500	500	500	500	500	500	500	800	6,300
4. Residential Energy Audits	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,300	18,900
5. Low Income Customer Energy Audits	500	500	500	500	500	500	500	500	500	500	500	600	6,100
6. FPU Express	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,100	12,100
7. Enhanced Good Cents Home	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,900	21,700
8. Commercial/Industrial Good Cents Building	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,200	16,600
9. Commercial/Industrial Energy Audits & Tech. Assit.	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	900	14,100
10. Common	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	2,700	39,000
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
31. TOTAL ALL PROGRAMS	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	11,700	145,900
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	11,700	145,900

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR	ADVERTISING	LEGAL	OUTSIDE	VEHICLE	MATERIALS	TRAVEL	GENERAL	INCENTIVES	OTHER	SUB	PROGRAM	TOTAL
	& PAYROLL					& SUPPLIES		& ADMIN.					
1. In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct Leakage Repair	5,000	4,000	0	0	1,000	100	0	1,000	0	0	11,100	0	11,100
3. Residential Geothermal Heat Pump	2,000	1,000	0	0	1,000	100	0	1,000	0	1,200	6,300	0	6,300
4. Residential Energy Audits	7,500	6,800	0	1,000	1,000	100	1,400	1,100	0	0	18,900	0	18,900
5. Low Income Customer Energy Audits	3,000	1,000	0	0	1,000	100	0	1,000	0	0	6,100	0	6,100
6. FPU Express	4,000	6,000	0	0	1,000	100	0	1,000	0	0	12,100	0	12,100
7. Enhanced Good Cents Home	8,000	8,000	0	0	1,000	100	3,500	1,100	0	0	21,700	0	21,700
8. Commercial/Industrial Good Cents Building	2,000	6,000	0	2,000	1,000	100	4,500	1,000	0	0	16,600	0	16,600
9. Commercial/Industrial Energy Audits & Tech. Assit.	2,000	6,000	0	3,000	1,000	100	1,000	1,000	0	0	14,100	0	14,100
10. Common	34,700	0	1,000	0	2,000	0	0	0	0	1,300	39,000	0	39,000
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
31. TOTAL ALL PROGRAMS	68,200	38,800	1,000	6,000	10,000	800	10,400	8,200	0	2,500	145,900	0	145,900
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	68,200	38,800	1,000	6,000	10,000	800	10,400	8,200	0	2,500	145,900	0	145,900

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

SCHEDULE C-2
 PAGE 3 OF 3

ESTIMATED FOR MONTHS January-00 THROUGH December-00

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

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 1 OF 5

ACTUAL FOR MONTHS January-99 THROUGH August-99
 ESTIMATED FOR MONTHS September-99 THROUGH December-99

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Concert with the Environment													
A. ACTUAL	1,070	0	0	0	0	417	0	121	0	0	1,608		1,608
B. ESTIMATED	622	0	0	0	222	3,644	0	312	0	0	4,800		4,800
C. TOTAL	1,692	0	0	0	222	4,061	0	433	0	0	6,408		6,408
2. Direct Leakage Repair													
A. ACTUAL	895	355	0	0	0	1	0	0	0	0	1,251		1,251
B. ESTIMATED	622	844	0	0	178	0	0	356	0	0	2,000		2,000
C. TOTAL	1,517	1,199	0	0	178	1	0	356	0	0	3,251		3,251
3. Residential Geothermal Heat Pump													
A. ACTUAL	710	0	0	0	0	41	0	0	0	0	751		751
B. ESTIMATED	622	844	0	0	178	0	0	356	0	0	2,000		2,000
C. TOTAL	1,332	844	0	0	178	41	0	356	0	0	2,751		2,751
4. Residential Energy Audits													
A. ACTUAL	7,029	6,634	0	375	0	30	0	0	0	0	14,068		14,068
B. ESTIMATED	2,311	3,333	0	356	489	888	667	356	0	0	8,400		8,400
C. TOTAL	9,340	9,967	0	731	489	918	667	356	0	0	22,468		22,468
5. Low Income Customer Energy Audits													
A. ACTUAL	575	95	0	375	0	0	0	0	0	0	1,045		1,045
B. ESTIMATED	622	977	0	0	489	356	0	356	0	0	2,800		2,800
C. TOTAL	1,197	1,072	0	375	489	356	0	356	0	0	3,845		3,845
SUB-TOTAL ACTUAL	10,279	7,084	0	750	0	489	0	121	0	0	18,723		18,723
SUB-TOTAL ESTIMATED	4,799	5,998	0	356	1,556	4,888	667	1,736	0	0	20,000		20,000

LESS: INCLUDED IN RATE BASE
 ACTUAL
 ESTIMATED
 TOTAL

NET PROGRAM COSTS

SEE PAGE 1A

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 1A OF 5

PROGRAM NAME	ACTUAL FOR MONTHS	January-99	THROUGH	August-99								SUB	PROGRAM	TOTAL		
	ESTIMATED FOR MONTHS	September-99	THROUGH	December-99	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	TOTAL	REVENUES
6. FPU Express																
A. ACTUAL		2,510	6,895	0	0	0	0	0	0	18	1,505	0	10,928		10,928	
B. ESTIMATED		578	2,176	0	356	178	356	0	356	0	0	0	4,000		4,000	
C. TOTAL		3,088	9,071	0	356	178	356	0	374	1,505	0	0	14,928		14,928	
7. Enhanced Good Cents Home																
A. ACTUAL		5,895	5,789	0	486	0	2,107	4,638	295	0	0	0	19,210		19,210	
B. ESTIMATED		2,267	2,667	0	667	356	0	1,687	356	0	0	0	8,000		8,000	
C. TOTAL		8,162	8,456	0	1,153	356	2,107	6,325	651	0	0	0	27,210		27,210	
8. Commercial/Industrial Good Cents Building																
A. ACTUAL		1,106	123	0	1,300	150	16	2,219	0	0	0	0	4,914		4,914	
B. ESTIMATED		933	1,022	0	1,244	222	356	667	356	0	0	0	4,800		4,800	
C. TOTAL		2,039	1,145	0	2,544	372	372	2,886	356	0	0	0	9,714		9,714	
9. Commercial/Industrial Energy Audits & Tech. Assit.																
A. ACTUAL		2,426	222	0	2,067	0	0	3,327	31	0	225	0	8,298		8,298	
B. ESTIMATED		933	1,022	0	1,244	222	356	667	356	0	0	0	4,800		4,800	
C. TOTAL		3,359	1,244	0	3,311	222	356	3,994	387	0	225	0	13,098		13,098	
10. Common																
A. ACTUAL		14,123	0	856	0	6,917	1,513	1,103	5,150	0	1,521	0	31,183		31,183	
B. ESTIMATED		10,978	0	1,333	0	889	0	0	0	0	0	0	13,200		13,200	
C. TOTAL		25,101	0	2,189	0	7,806	1,513	1,103	5,150	0	1,521	0	44,383		44,383	
TOTAL ACTUAL		36,339	20,113	856	4,603	7,067	4,125	11,287	5,615	1,505	1,746	0	93,256	0	93,256	
TOTAL ESTIMATED		20,488	12,885	1,333	3,867	3,423	5,956	3,688	3,160	0	0	0	54,800	0	54,800	
LESS: INCLUDED IN RATE BASE																
ACTUAL																
ESTIMATED																
TOTAL																
NET PROGRAM COSTS		56,827	32,998	2,189	8,470	10,490	10,081	14,975	8,775	1,505	1,746	0	148,056	0	148,056	

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3
 PAGE 2 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS
 January-99 THROUGH August-99
 September-99 THROUGH December-99

	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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ACTUAL FOR MONTHS January-99 THROUGH August-99
 ESTIMATED FOR MONTHS September-99 THROUGH December-99

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL								TOTAL	ESTIMATED				TOTAL	GRAND
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	ACTUAL	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
1. In Concert with the Environment	205	313	119	456	85	354	76	0	1,608	1,200	1,200	1,200	1,200	4,800	6,408
2. Direct Leakage Repair	202	32	89	292	124	(1)	309	204	1,251	500	500	500	500	2,000	3,251
3. Residential Geothermal Heat Pump	36	106	(7)	39	149	371	49	8	751	500	500	500	500	2,000	2,751
4. Residential Energy Audits	2,317	1,200	1,975	2,423	949	1,962	2,086	1,156	14,068	2,100	2,100	2,100	2,100	8,400	22,468
5. Low Income Customer Energy Audits	469	32	152	131	82	81	19	79	1,045	700	700	700	700	2,800	3,845
6. FPU Express	795	1,146	1,389	2,806	671	1,176	1,700	1,245	10,928	1,000	1,000	1,000	1,000	4,000	14,928
7. Enhanced Good Cents Home	2,093	1,238	1,446	1,872	1,429	2,639	1,598	6,895	19,210	2,000	2,000	2,000	2,000	8,000	27,210
8. Commercial/Industrial Good Cents Building	551	32	56	1,211	290	153	585	2,036	4,914	1,200	1,200	1,200	1,200	4,800	9,714
9. Commercial/Industrial Energy Audits & Tech. A	3,274	354	337	402	335	81	807	2,708	8,298	1,200	1,200	1,200	1,200	4,800	13,098
10. Common	3,429	4,907	3,256	3,090	3,518	4,993	3,516	4,474	31,183	3,300	3,300	3,300	3,300	13,200	44,383
11.															
12.															
13.															
14.															
15.															
16.															
17.															
18.															
19.															
31. TOTAL ALL PROGRAMS	13,371	9,360	8,812	12,722	7,632	11,809	10,745	18,805	93,256	13,700	13,700	13,700	13,700	54,800	148,056
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	13,371	9,360	8,812	12,722	7,632	11,809	10,745	18,805	93,256	13,700	13,700	13,700	13,700	54,800	148,056

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
PAGE 4 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	January-99 September-99	THROUGH THROUGH	August-99 December-99											
	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)	8,933	7,198	7,619	5,524	6,021	7,194	7,809	8,934	8,201	6,638	5,590	6,341	86,002	
3. TOTAL REVENUES	8,933	7,198	7,619	5,524	6,021	7,194	7,809	8,934	8,201	6,638	5,590	6,341	86,002	
4. PRIOR PERIOD TRUE-UP--ADJ NOT APPLICABLE TO PERIOD	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,420	88,996	
5. CONSERVATION REVENUES APPLICABLE TO PERIOD	16,349	14,614	15,035	12,940	13,437	14,610	15,225	16,350	15,617	14,054	13,006	13,761	174,998	
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)	13,371	9,360	8,812	12,722	7,632	11,809	10,745	18,805	13,700	13,700	13,700	13,700	148,056	
7. TRUE-UP THIS PERIOD	2,978	5,254	6,223	218	5,805	2,801	4,480	(2,455)	1,917	354	(694)	61	26,942	
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)	351	337	334	317	300	296	289	270	243	216	183	150	3,286	
9. TRUE-UP & INTEREST PROVISION	88,996	84,909	83,084	82,225	75,344	74,033	69,714	67,067	57,466	52,210	45,364	37,437	88,996	
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD														
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,416)	(7,420)	(88,996)	
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)	84,909	83,084	82,225	75,344	74,033	69,714	67,067	57,466	52,210	45,364	37,437	30,228	30,228	

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
PAGE 5 OF 5

ACTUAL FOR MONTHS January-99 THROUGH August-99
ESTIMATED FOR MONTHS September-99 THROUGH December-99

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	88,996	84,909	83,084	82,225	75,344	74,033	69,714	67,067	57,466	52,210	45,364	37,437	30,228
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	84,558	82,747	81,891	75,027	73,733	69,418	66,778	57,196	51,967	45,148	37,254	30,078	26,942
3. TOTAL BEG. AND ENDING TRUE-UP	173,554	167,656	164,975	157,252	149,077	143,451	136,492	124,263	109,433	97,358	82,618	67,515	57,170
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	86,777	83,828	82,488	78,626	74,539	71,726	68,246	62,132	54,717	48,679	41,309	33,758	28,585
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	4.90%	4.81%	4.85%	4.88%	4.80%	4.85%	5.05%	5.10%	5.32%	5.32%	5.32%	5.32%	5.32%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.81%	4.85%	4.88%	4.80%	4.85%	5.05%	5.10%	5.32%	5.32%	5.32%	5.32%	5.32%	5.32%
7. TOTAL (LINE C-5 + C-6)	9.71%	9.66%	9.73%	9.68%	9.65%	9.90%	10.15%	10.42%	10.64%	10.64%	10.64%	10.64%	10.64%
8. AVG INTEREST RATE (C-7 X 50%)	4.86%	4.83%	4.87%	4.84%	4.83%	4.95%	5.08%	5.21%	5.32%	5.32%	5.32%	5.32%	5.32%
9. MONTHLY AVERAGE INTEREST RATE	0.405%	0.403%	0.405%	0.403%	0.402%	0.413%	0.423%	0.434%	0.443%	0.443%	0.443%	0.443%	0.443%
10. INTEREST PROVISION (LINE C-4 X C-9)	351	337	334	317	300	296	289	270	243	216	183	150	3,286

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - MARIANNA
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-99 THROUGH December-00

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
1999 JANUARY	23,508	8,933	ACTUAL
FEBRUARY	18,937	7,198	ACTUAL
MARCH	20,048	7,619	ACTUAL
APRIL	19,075	5,524	ACTUAL
MAY	20,786	6,021	ACTUAL
JUNE	24,839	7,194	ACTUAL
JULY	26,961	7,809	ACTUAL
AUGUST	30,842	8,934	ACTUAL
SEPTEMBER	28,674	8,201	0.02900
OCTOBER	23,211	6,638	0.02900
NOVEMBER	19,547	5,590	0.02900
DECEMBER	<u>22,173</u>	<u>6,341</u>	0.02900
SUB-TOTAL	<u>278,601</u>	<u>86,002</u>	
2000 JANUARY	23,540	10,031	0.04261
FEBRUARY	21,346	9,095	0.04261
MARCH	19,687	8,388	0.04261
APRIL	17,709	7,545	0.04261
MAY	19,187	8,175	0.04261
JUNE	24,463	10,423	0.04261
JULY	26,822	11,428	0.04261
AUGUST	27,462	11,701	0.04261
SEPTEMBER	27,965	11,915	0.04261
OCTOBER	22,610	9,634	0.04261
NOVEMBER	19,044	8,114	0.04261
DECEMBER	<u>21,647</u>	<u>9,223</u>	0.04261
SUB-TOTAL	<u>271,482</u>	<u>115,672</u>	
TOTALS	<u>550,083</u>	<u>201,674</u>	

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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 1 OF 9**

1. Duct Leakage Repair
2. Residential Geothermal Heat Pump
3. Residential Energy Audits
4. Low Income Customer Energy Audits
5. FPU Express
6. Enhanced Good Cents Home
7. Commercial/ Industrial Good Cents Building
8. Commercial/Industrial Energy Audits and Technical Assistance

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PROGRAM TITLE : Duct Leakage Repair

PROGRAM DESCRIPTION : The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM PROJECTIONS: For January 2000 through December 2000: The goal for the number of program participants for this period is 18.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$11,100.

PROGRAM PROGRESS SUMMARY: In order to ensure that we meet our current and future goals FPUC will continue educating builders and HVAC contractors in the areas of duct leakage identification and repair solutions. By working closely with contractors and offering our services they will be in a better position to provide quality duct repair/installation services to FPUC customers. With this relationship we feel confident that we can meet our PSC approved goals now and in the future.

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE : Residential Geothermal Heat Pump

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 also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM PROJECTIONS: For January 2000 through December 2000: FPUC intends to implement this program over an extended period of time, currently expected to be 5 years. At this time no participation goals have been set. FPUC will continue to educate consumers on geothermal technology and raise awareness of the availability, affordability, and improved customer satisfaction associated with these units.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for the period are \$6,300.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we feel confident that by our efforts to promote this technology we will see a number of geothermal installations in our service areas during the current year. We will continue to educate contractors by offering Geothermal Certification classes and continue to develop a network of installers in order to better promote this highly efficient heating and cooling source.

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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION : The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage 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 audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The goal for the number of program participants for this period is 150.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$18,900.

PROGRAM PROGRESS: We feel confident that by continuing our efforts to promote this program through bill stuffers, promotional materials, newspaper, and cable TV that we will continue to see a high participation level in this program in the future.

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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE : Low Income Customer Energy Audits

PROGRAM DESCRIPTION : FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but base on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The goal for the number of program participants for this period is 25.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$6,100

PROGRAM PROGRESS SUMMARY: FPUC will continue to work with Social Service Agencies and low-income housing managers as well as Federal Government agencies to provide information concerning weatherization programs and energy saving measures.

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**FLORIDA PUBLIC UTILITIES COMPANY
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PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE : FPU Express Loan Program

PROGRAM DESCRIPTION : The objective of the FPU Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application once the customer decides to install the conservation features. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The goal for the number of program participants for this period is 13.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for the period are \$12,100.

PROGRAM PROGRESS SUMMARY: We feel this program will be continue to be successful due to increased advertising and promotional efforts. During Residential Audits we will inform residents of the advantages of this program as well as through newspaper and cable television advertising. We will continue to nurture the close relationships we have built with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

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**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE : Enhanced Good Cents Home Program

PROGRAM DESCRIPTION : The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, centsable duct system, centsable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPU will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM PROJECTION: For January 2000 through December 2000: The goal for the number of program participants for this period is 53.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for the period are \$21,700.

PROGRAM PROGRESS SUMMARY: Program participation has been successful thus far despite low construction in our service territory. We will continue to use innovative ways to educate and advertise this program to our customers and contractors. Continuing to build a good working relationship with contractors will aide in promoting the program's benefits to the final consumer.

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PROGRAM TITLE: Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION: The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these area that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cents Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The goal for the number of program participants for this period is 3.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for the period are \$16,600.

PROGRAM PROGRESS SUMMARY: We contracted with Gulf Power in order to provide commercial services to our commercial/industrial customers. Utilizing aggressive advertising and by staying in contact with the decision makers has made this program successful and we will continue to see this program grow.

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE : Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION : FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTION: For January 2000 through December 2000: The goal for the number of program participants for this period is 15.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$14,100.

PROGRAM PROGRESS SUMMARY : As has been stated previously, we have contracted with Gulf Power to provide these types of services to our customers. We have built trusting relationships with many of these customers by educating them concerning new technologies and by getting them in touch with people who could solve their particular problems. The work we have done in this area will continue to benefit FPUC by increased participation in this program.

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-00 THROUGH December-00

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>149,400</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(45,130)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>104,270</u>
4.	RETAIL KWH/THERM SALES	<u>386,198,000</u>
5.	COST PER KWH/THERM	<u>0.00026999</u>
6.	REVENUE TAX MULTIPLIER	<u>1.01597</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00027400</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH/THERM)	<u><u>0.00027</u></u>

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ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-00 THROUGH December-00

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct Leakage Repair	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	11,500
3. Residential Geothermal Heat Pump	600	600	600	600	600	600	600	600	600	600	600	300	6,900
4. Residential Energy Audits	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,900	19,500
5. Low Income Customer Energy Audits	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6. FPU Express	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	800	12,900
7. Enhanced Good Cents Home	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,400	22,300
8. Commercial/Industrial Good Cents Building	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,400	22,300
9. Commercial/Industrial Energy Audits & Tech. Assit.	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,100	18,700
10. Common	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,900	29,300
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
31. TOTAL ALL PROGRAMS	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	10,800	149,400
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	10,800	149,400

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-00 THROUGH December-00

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Concert with the Environment (program eliminated)	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct Leakage Repair	5,500	2,900	0	0	1,100	400	700	900	0	0	11,500	0	11,500
3. Residential Geothermal Heat Pump	2,500	1,000	0	0	1,200	0	0	900	1,300	0	6,900	0	6,900
4. Residential Energy Audits	8,500	5,900	0	1,500	1,200	500	1,000	900	0	0	19,500	0	19,500
5. Low Income Customer Energy Audits	2,500	1,000	0	0	1,200	400	0	900	0	0	6,000	0	6,000
6. FPU Express	5,500	4,900	0	0	1,200	400	0	900	0	0	12,900	0	12,900
7. Enhanced Good Cents Home	8,500	7,900	0	0	1,200	400	3,400	900	0	0	22,300	0	22,300
8. Commercial/Industrial Good Cents Building	5,500	5,900	0	5,000	1,100	400	3,500	900	0	0	22,300	0	22,300
9. Commercial/Industrial Energy Audits & Tech. Assit.	5,500	4,900	0	5,000	1,100	400	1,000	800	0	0	18,700	0	18,700
10. Common	25,000	0	1,000	0	2,000	0	0	0	0	1,300	29,300	0	29,300
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
31. TOTAL ALL PROGRAMS	69,000	34,400	1,000	11,500	11,300	2,900	9,600	7,100	1,300	1,300	149,400	0	149,400
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	69,000	34,400	1,000	11,500	11,300	2,900	9,600	7,100	1,300	1,300	149,400	0	149,400

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA

SCHEDULE C-2

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

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ESTIMATED FOR MONTHS January-00 THROUGH December-00

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

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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ACTUAL FOR MONTHS January-99 THROUGH August-99
 ESTIMATED FOR MONTHS September-99 THROUGH December-99

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. In Concert with the Environment													
A. ACTUAL	517	0	0	0	0	0	0	75	0	0	592		592
B. ESTIMATED	133	0	0	0	0	3,644	0	223	0	0	4,000		4,000
C. TOTAL	650	0	0	0	0	3,644	0	298	0	0	4,592		4,592
2. Direct Leakage Repair													
A. ACTUAL	1,442	184	0	0	0	0	0	0	50	0	1,676		1,676
B. ESTIMATED	978	844	0	0	178	0	356	444	0	0	2,800		2,800
C. TOTAL	2,420	1,028	0	0	178	0	356	444	50	0	4,476		4,476
3. Residential Geothermal Heat Pump													
A. ACTUAL	1,032	184	0	0	0	0	0	0	0	14	1,230		1,230
B. ESTIMATED	267	356	0	178	178	0	356	265	0	0	1,600		1,600
C. TOTAL	1,299	540	0	178	178	0	356	265	0	14	2,830		2,830
4. Residential Energy Audits													
A. ACTUAL	5,622	9,493	0	188	0	88	151	0	0	10	15,552		15,552
B. ESTIMATED	2,622	2,667	0	178	356	667	667	843	0	0	8,000		8,000
C. TOTAL	8,244	12,160	0	366	356	755	818	843	0	10	23,552		23,552
5. Low Income Customer Energy Audits													
A. ACTUAL	345	0	0	583	0	0	0	0	0	0	928		928
B. ESTIMATED	1,333	844	0	0	356	667	0	400	0	0	3,600		3,600
C. TOTAL	1,678	844	0	583	356	667	0	400	0	0	4,528		4,528
SUB-TOTAL ACTUAL	8,958	9,861	0	771	0	88	151	75	50	24	19,978		19,978
SUB-TOTAL ESTIMATED	5,333	4,711	0	356	1,068	4,978	1,379	2,175	0	0	20,000		20,000
LESS: INCLUDED IN RATE BASE													
ACTUAL													
ESTIMATED													
TOTAL													
NET PROGRAM COSTS	SEE PAGE 1A												

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 DOCKET NO. 990002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAP-3)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 1A OF 5

ACTUAL FOR MONTHS January-99 THROUGH August-99
 ESTIMATED FOR MONTHS September-99 THROUGH December-99

PROGRAM NAME	LABOR	ADVERTISING	LEGAL	OUTSIDE	VEHICLE	MATERIALS	TRAVEL	GENERAL	INCENTIVES	OTHER	SUB	PROGRAM	TOTAL
	& PAYROLL												
6. FPU Express													
A. ACTUAL	1,894	2,337	0	0	0	0	0	0	1,137	0	5,368		5,368
B. ESTIMATED	933	844	0	178	178	222	0	445	0	0	2,800		2,800
C. TOTAL	2,827	3,181	0	178	178	222	0	445	1,137	0	8,168		8,168
7. Enhanced Good Cents Home													
A. ACTUAL	3,786	6,072	0	486	0	1,064	366	76	0	88	11,938		11,938
B. ESTIMATED	2,622	2,667	0	178	356	178	1,689	710	0	0	8,400		8,400
C. TOTAL	6,408	8,739	0	664	356	1,242	2,055	786	0	88	20,338		20,338
8. Commercial/Industrial Good Cents Building													
A. ACTUAL	1,823	0	0	3,428	0	0	198	0	0	0	5,449		5,449
B. ESTIMATED	1,289	667	0	1,689	356	356	667	576	0	0	5,600		5,600
C. TOTAL	3,112	667	0	5,117	356	356	865	576	0	0	11,049		11,049
9. Commercial/Industrial Energy Audits & Tech. Assit.													
A. ACTUAL	8,020	0	0	1,529	0	320	2,445	454	0	346	13,114		13,114
B. ESTIMATED	1,244	356	0	1,689	356	356	667	532	0	0	5,200		5,200
C. TOTAL	9,264	356	0	3,218	356	676	3,112	986	0	346	18,314		18,314
10. Common													
A. ACTUAL	15,527	1,289	856	0	6,665	190	291	5,997	0	1,358	32,173		32,173
B. ESTIMATED	8,844	0	1,333	0	623	0	0	0	0	0	10,800		10,800
C. TOTAL	24,371	1,289	2,189	0	7,288	190	291	5,997	0	1,358	42,973		42,973
TOTAL ACTUAL	40,008	19,559	856	6,214	6,665	1,662	3,451	6,602	1,187	1,816	88,020	0	88,020
TOTAL ESTIMATED	20,265	9,245	1,333	4,090	2,937	6,090	4,402	4,438	0	0	52,800	0	52,800
LESS: INCLUDED IN RATE BASE													
ACTUAL													
ESTIMATED													
TOTAL													
NET PROGRAM COSTS	60,273	28,804	2,189	10,304	9,602	7,752	7,853	11,040	1,187	1,816	140,820	0	140,820

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3
 PAGE 2 OF 5

ACTUAL FOR MONTHS January-99 THROUGH August-99
 ESTIMATED FOR MONTHS September-99 THROUGH December-99

	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

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 FLORIDA PUBLIC UTILITIES COMPANY
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 3 OF 5

ACTUAL FOR MONTHS
 ESTIMATED FOR MONTHS

January-99 THROUGH August-99
 September-99 THROUGH December-99

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL								TOTAL	ESTIMATED				TOTAL	GRAND
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	ACTUAL	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
1. In Concert with the Environment	111	93	85	85	179	39	0	0	592	1,000	1,000	1,000	1,000	4,000	4,592
2. Direct Leakage Repair	151	406	209	378	126	87	185	134	1,676	700	700	700	700	2,800	4,476
3. Residential Geothermal Heat Pump	266	51	205	319	118	102	105	64	1,230	400	400	400	400	1,600	2,830
4. Residential Energy Audits	1,874	1,222	682	931	2,861	3,894	2,052	2,036	15,552	2,000	2,000	2,000	2,000	8,000	23,552
5. Low Income Customer Energy Audits	650	114	20	2	41	57	11	33	928	900	900	900	900	3,600	4,528
6. FPU Express	639	744	168	1,611	842	221	393	750	5,368	700	700	700	700	2,800	8,168
7. Enhanced Good Cents Home	1,912	591	695	1,418	1,688	2,005	612	3,017	11,938	2,100	2,100	2,100	2,100	8,400	20,338
8. Commercial/Industrial Good Cents Building	3,413	330	176	391	138	189	271	541	5,449	1,400	1,400	1,400	1,400	5,600	11,049
9. Commercial/Industrial Energy Audits & Tech. A	1,468	1,487	2,585	2,290	289	1,415	2,737	843	13,114	1,300	1,300	1,300	1,300	5,200	18,314
10. Common	4,167	4,344	3,384	3,670	4,155	4,952	4,139	3,362	32,173	2,700	2,700	2,700	2,700	10,800	42,973
11.															
12.															
13.															
14.															
15.															
16.															
17.															
18.															
19.															
31. TOTAL ALL PROGRAMS	14,651	9,382	8,209	11,095	10,437	12,961	10,505	10,780	88,020	13,200	13,200	13,200	13,200	52,800	140,820
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	14,651	9,382	8,209	11,095	10,437	12,961	10,505	10,780	88,020	13,200	13,200	13,200	13,200	52,800	140,820

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 FLORIDA PUBLIC UTILITIES COMPANY
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
PAGE 4 OF 5

	ACTUAL FOR MONTHS	January-99	THROUGH	August-99													
	ESTIMATED FOR MONTHS	September-99	THROUGH	December-99	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)		8,098	7,190	8,427	5,187	4,633	1,661	4,576	5,466	3,947	3,415	2,907	3,176	58,683			
3. TOTAL REVENUES		8,098	7,190	8,427	5,187	4,633	1,661	4,576	5,466	3,947	3,415	2,907	3,176	58,683			
4. PRIOR PERIOD TRUE-UP--ADJ NOT APPLICABLE TO PERIOD		10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,218	122,660			
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		18,320	17,412	18,649	15,409	14,855	11,883	14,798	15,688	14,169	13,637	13,129	13,394	181,343			
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)		14,651	9,382	8,209	11,095	10,437	12,961	10,505	10,780	13,200	13,200	13,200	13,200	140,820			
7. TRUE-UP THIS PERIOD		3,669	8,030	10,440	4,314	4,418	(1,078)	4,293	4,908	969	437	(71)	194	40,523			
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)		483	465	466	454	431	409	384	372	349	308	265	221	4,607			
9. TRUE-UP & INTEREST PROVISION		122,660	116,590	114,863	115,547	110,093	104,720	93,829	88,284	83,342	74,438	64,961	54,933	122,660			
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD																	
10. PRIOR TRUE-UP COLLECTED (REFUNDED)		(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,222)	(10,218)	(122,660)			
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		116,590	114,863	115,547	110,093	104,720	93,829	88,284	83,342	74,438	64,961	54,933	45,130	45,130			

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FLORIDA PUBLIC UTILITIES COMPANY
(MAP-3)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
PAGE 5 OF 5

ACTUAL FOR MONTHS January-99 THROUGH August-99
ESTIMATED FOR MONTHS September-99 THROUGH December-99

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	122,660	116,590	114,863	115,547	110,093	104,720	93,829	88,284	83,342	74,438	64,961	54,933	45,130
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	116,107	114,398	115,081	109,639	104,289	93,420	87,900	82,970	74,089	64,653	54,668	44,909	40,523
3. TOTAL BEG. AND ENDING TRUE-UP	238,767	230,988	229,944	225,186	214,382	198,140	181,729	171,254	157,431	139,091	119,629	99,842	85,653
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	119,384	115,494	114,972	112,593	107,191	99,070	90,865	85,627	78,716	69,546	59,815	49,921	42,827
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	4.90%	4.81%	4.85%	4.88%	4.80%	4.85%	5.05%	5.10%	5.32%	5.32%	5.32%	5.32%	
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	4.81%	4.85%	4.88%	4.80%	4.85%	5.05%	5.10%	5.32%	5.32%	5.32%	5.32%	5.32%	
7. TOTAL (LINE C-5 + C-6)	9.71%	9.66%	9.73%	9.68%	9.65%	9.90%	10.15%	10.42%	10.64%	10.64%	10.64%	10.64%	
8. AVG INTEREST RATE (C-7 X 50%)	4.86%	4.83%	4.87%	4.84%	4.83%	4.95%	5.08%	5.21%	5.32%	5.32%	5.32%	5.32%	
9. MONTHLY AVERAGE INTEREST RATE	0.405%	0.403%	0.405%	0.403%	0.402%	0.413%	0.423%	0.434%	0.443%	0.443%	0.443%	0.443%	
10. INTEREST PROVISION (LINE C-4 X C-9)	483	465	466	454	431	409	384	372	349	308	265	221	4,607

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FLORIDA PUBLIC UTILITIES COMPANY
(MAP-3)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - FERNANDINA
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-99 THROUGH December-00

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
1999 JANUARY	34,280	8,098	ACTUAL
FEBRUARY	30,439	7,190	ACTUAL
MARCH	35,671	8,427	ACTUAL
APRIL	32,986	5,187	ACTUAL
MAY	30,824	4,633	ACTUAL
JUNE	42,243	1,661	ACTUAL
JULY	42,270	4,576	ACTUAL
AUGUST	50,488	5,466	ACTUAL
SEPTEMBER	35,557	3,947	0.01100
OCTOBER	30,763	3,415	0.01100
NOVEMBER	26,191	2,907	0.01100
DECEMBER	<u>28,611</u>	<u>3,176</u>	0.01100
SUB-TOTAL	<u>420,323</u>	<u>58,683</u>	
2000 JANUARY	33,125	8,944	0.02700
FEBRUARY	31,153	8,411	0.02700
MARCH	28,953	7,817	0.02700
APRIL	26,959	7,279	0.02700
MAY	28,801	7,776	0.02700
JUNE	33,828	9,133	0.02700
JULY	37,858	10,221	0.02700
AUGUST	38,280	10,335	0.02700
SEPTEMBER	37,287	10,067	0.02700
OCTOBER	32,306	8,722	0.02700
NOVEMBER	27,563	7,442	0.02700
DECEMBER	<u>30,085</u>	<u>8,123</u>	0.02700
SUB-TOTAL	<u>386,198</u>	<u>104,270</u>	
TOTALS	<u>806,521</u>	<u>162,953</u>	

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 1 OF 9**

1. Duct Leakage Repair
2. Residential Geothermal Heat Pump
3. Residential Energy Audits
4. Low Income Customer Energy Audits
5. FPU Express
6. Enhanced Good Cents Home
7. Commercial/ Industrial Good Cents Building
8. Commercial/Industrial Energy Audits and Technical Assistance

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DOCKET NO. 990002-EG
FLORIDA PUBLIC UTILITIES CO.
(MAP-3)
PAGE 32 OF 40

**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE: Duct Leakage Repair

PROGRAM DESCRIPTION: The objective of the Duct Leakage Repair Program is to provide FPUC's residential customers a means to identify house air duct leakage and recommend repairs that can reduce customer energy usage and demand.

FPUC will identify program participants through the Residential Energy Audit Program as well as through promotional activities. Blower Door testing required to identify and quantify the duct leakage will be performed by a contractor. After identification of the leakage sites and quantities, the customer will be given a written summary of the test findings and the potential savings, along with a list of approved repair contractors. Testing will be done on new construction duct systems to ensure maximum efficiency and comfort in these new homes also. This testing will be available to the Builder, HVAC contractor, or homeowner. FPUC will utilize duct testing and expertise for the purpose of educating Builders and HVAC contractors by identifying problem areas and improvement methodologies or techniques.

Additionally, FPUC will offer two approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two courses are: "Duct Leakage in Homes: Consequences, Control, and Code Requirements" and "Repairing Duct Leakage".

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is projected to be 17.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$11,500.

PROGRAM PROGRESS SUMMARY: In order to ensure that we continue to meet our current and future goals FPUC will continue educating builders and HVAC in the areas of duct leakage identification and repair solutions. By working closely with contractors and offering our services they will then be in a better position to provide quality duct repair/installation services to FPUC customers. With this relationship we feel confident that we can meet our PSC approved goals now and in the future.

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE: Residential Geothermal Heat Pump

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 also provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels, and are superior to other available heating and cooling technologies with respect to source efficiency and environmental impacts. FPUC's proposed Geothermal Heat Pump program is designed to overcome existing market barriers, specifically, lack of consumer awareness, knowledge, and acceptance of this technology.

This program will promote efficiency levels well above current market conditions, specifically those units with an Energy Efficiency Ratio (EER) of 13.0 or higher. The Department of Energy (DOE) is touting geothermal technology as the most energy-efficient and environmentally clean space-conditioning system available today. Additionally, a recent DOE study indicates that geothermal systems have the lowest life-cycle cost of any HVAC system today.

PROGRAM PROJECTIONS: For January 2000 through December 2000: FPUC intends to implement this program over a five-year period. At this time participation goals have not been set. We will strive to educate consumers concerning geothermal technology in hopes that customer demand will make this technology more readily available in our service territory.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Expenditures for this period are expected to be approximately \$6,900.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this particular program we feel confident that by our efforts to promote this technology we will see a number geothermal installations in our service areas in the near future. We will continue to educate customers and strive to develop a network of installers in order to better promote this highly energy efficient heating and cooling source.

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE : Residential Energy Audits

PROGRAM DESCRIPTION: The objective of the Residential Energy Audit Program is to provide FPUC's residential customers with energy conservation advice that will encourage 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 audit process, the customer is provided with specific whole-house recommendations. Through follow-up audit work, FPUC monitors and tracks the implementation of the measures.

The "Appliance Efficiency Education" DSM program from JEA's DSM Plan will be incorporated into these residential energy audits. The customer will be educated on the expense of operating a second refrigerator or freezer and on the value of a high efficiency pool pump. The resulting increase in operating efficiencies will provide for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is projected to be 150.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$19,500.

PROGRAM PROGRESS SUMMARY: We feel confident that by our efforts to promote this program through bill stuffers, promotional materials, newspaper, and cable TV that we will see even greater participation in this program in the future.

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE : Low Income Customer Energy Audits

PROGRAM DESCRIPTION: FPUC has provided low income customers benefits through its energy conservation programs for many years. Although programs are offered to customers without discrimination, the company recognizes that a customer may be less likely to participate in a particular program due to various circumstances, including lack of disposable income. FPUC does not directly identify low income participants, but base on experience and observations, it is apparent that low income customers are participating at levels similar to the overall residential population.

Every FPUC customer is eligible for an FPUC residential energy audit, but the audit recommendations usually require the customer to spend money replacing or adding energy conservation measures. Low income persons may not have the discretionary income to make these changes. In an effort to further assist FPUC's low income customers, FPUC will work with a local weatherization agency to provide weatherization energy audits for low income customers. FPUC will pay for these weatherization energy audits for any FPUC customer through the state weatherization program. The estimated cost per audit is \$50.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is projected to be 25.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$6,000.

PROGRAM PROGRESS SUMMARY: FPUC will continue to work with Social Service Agencies and Low-Income housing managers to provide information concerning weatherization programs and energy saving measures.

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FLORIDA PUBLIC UTILITIES CO.
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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 6 OF 9**

PROGRAM TITLE: FPUC Express Loan Program

PROGRAM DESCRIPTION: The objective of the FPUC Express Loan Program is to provide FPUC's residential customers a vehicle to encourage installation of energy conservation features in their homes. This below-market interest rate loan program provides financing from participating banks in FPUC's service area for up to \$15,000 for a period of 10 years to customers that choose to install energy conservation features in their existing homes.

The program provides FPUC a financing option to offer customers who wish to install conservation features in their homes. The program is designed to work in conjunction with FPUC's approved Residential Energy Audit Program. During the audit process, the customer is provided with specific whole-house recommendations. An FPUC representative will submit a completed loan application to a participating bank once the customer decides to install the conservation features. Along with the application, the FPUC representative will also provide the bank with a copy of the energy audit and a list of the specific energy conservation features recommended. After the application has been approved, the customer will contact a licensed contractor of their choice to install the recommended conservation features. After the work is completed, an inspection is performed by FPUC to ensure all energy conservation features covered by the loan are installed. Confirmation of the installed features is provided to the participating bank. The increased operating efficiencies of the installed features provide a reduction in weather sensitive peak demand as well as a reduction in overall energy consumption.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is projected to be 12.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$12,900.

PROGRAM PROGRESS SUMMARY: We feel this program will continue to be extremely successful due to our advertising and promotional efforts. During Residential Audits we inform residents of the advantages of this program as well as through newspaper and cable television advertising. We will continue to nurture the close relationships we have built with area realtors and contractors by providing them with program materials that will enhance their efforts to inform customers of this program.

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE: Enhanced Good Cents Home Program

PROGRAM DESCRIPTION: The objective of the Enhanced Good Cents Home Program is to provide Florida Public Utilities Company's residential customers guidance concerning energy efficiency in new construction. The program promotes energy efficient home construction techniques by evaluating components in the categories of design and construction practices. These categories include: wall insulation, doors, windows, perimeter/floor insulation, moisture/infiltration barrier, attic/ceiling insulation, attic ventilation system, centsable duct system, centsable water heating system, and HVAC system.

The program will result in reductions in energy usage and peak demand. FPUC will identify potential program participants through builder/developer relationships as well as through promotional activities. Additionally, FPUC will provide education and training to building contractors and building inspectors to encourage energy conservation. Two classes will be provided, both of which are approved continuing education courses for building contractors licensed by the Florida Construction Industry Licensing Board (CILB). The two classes are: "Constructing an Energy Efficient Home" and "Load and Duct Sizing Calculations: Computer Solutions".

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is projected to be 52.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$22,300.

PROGRAM PROGRESS SUMMARY: Participation in this program has increased due to our focus on builder relations. Thirty-eight Enhanced Good Cents Homes have been completed as of July 1999. We believe that through our efforts that we can meet PSC goals for this program during the current year and into the future.

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PROGRAM TITLE: Commercial/Industrial Good Cents Buildings

PROGRAM DESCRIPTION: The commercial/industrial market is comprised of a wide range of diverse businesses with variable size and operational characteristics. The success of the Commercial/Industrial Good Cents Building program lies in its ability to address this diversity by focusing on the mutual characteristics of commercial buildings. The most common critical areas in commercial buildings that affect summer peak demand are the thermal efficiency of the building and HVAC equipment efficiency. The Commercial/Industrial Good Cents Building program provides requirements for these area that, if adhered to, will help reduce peak demand and energy consumption.

Promotion of the Commercial/Industrial Good Cents Building program will feature a positive relationship with trade allies, the public, and local commercial/industrial customers. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

To provide an accurate quantitative analysis of the demand and energy savings due to the Commercial/Industrial Good Cents Building program, the Good Cents standards for our average commercial building are compared to the Florida Model Energy Code. The features used to prepare the customer's analysis include: wall and ceiling R-values; glass area; description of glass; and equipment used in determining the demand and energy differences for the two types of structures. The AXCESS - Energy Analysis Computer Program (AXCESS) is used in calculating these demand and energy differences.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is expected to be 2.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$22,300.

PROGRAM PROGRESS SUMMARY: We contracted with Gulf Power in order to provide commercial services to our commercial/industrial customers. Utilizing aggressive advertising and by staying in contact with the decision-makers has made this program successful and we will continue to see this program grow.

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PROGRAM TITLE: Commercial/Industrial Energy Audits and Technical Assistance

PROGRAM DESCRIPTION: FPUC provides auditing services to the commercial and industrial classes to assist in the evaluation of specific energy requirements of a given structure.

FPUC's representative will be provided a prospective customer for an audit through a phone call, advertising, a complaint, or referral. In this initial contact the representative determines needs, sets an appointment, and begins to gather some basic data such as the address, account number, business type, and past energy records. At the time of the audit, the representative discusses the audit and submits an outline of the procedure to the customer. During the discussion, the representative also acquires some customer data as it relates to the characteristics of the operation, time of operation, occupancy, and duration of the occupancy. In the audit's visual inspections, the representative observes overall layout, gathers equipment data, statistics, observes housekeeping and maintenance, checks various energy sources, and checks waste heat sources. The representative also makes appropriate measurements of lighting, ambient air temperatures, water temperatures, and air quantities.

After the visual inspection, the representative will return to the customer to review the total energy consumption and billing of the structure, and make general suggestions for improved efficiency that will have little or no cost associated with them. The representative will also identify major items for further study in which the customer will have the option of making capital expenditures.

PROGRAM PROJECTIONS: For January 2000 through December 2000: The number of program participants is expected to be 15.

PROGRAM FISCAL EXPENDITURES: For January 2000 through December 2000: Projected expenses for this period are \$18,700.

PROGRAM PROGRESS SUMMARY: As has been stated previously, we have contracted with Gulf Power Company to provide these types of services to our customers. We have built trusting relationships with many of these customers by educating them concerning new technologies and by getting them in touch with people who could solve their particular problems. The work we have done in this area will continue to benefit FPUC by increased participation in this program.

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