

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130002-EG
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Curtis D. Young: my business address is 1641 Worthington
3 Road, Suite 220 West Palm Beach, Florida 33409.

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

5 A. I am employed by Florida Public Utilities Company as a
6 Senior Regulatory Analyst.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery
9 of the Conservation Program costs for the period January 1,
10 2012 through December 31, 2012 as compared to the true-up
11 amounts previously reported for that period which were based
12 on seven months actual and five months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Consolidated Electric
Divisions of Florida Public Utilities Company for January 1,
2012 through December 31, 2012.

COM	5
AFD	1
APA	1
ECO	6
ENG	
GCL	1
EDM	
TBL	
CRK	EG Prep

1 A. The Company under-recovered \$102,386.00 during that period.
2 This amount is substantiated on Schedule CT-3, page 2 of 3,
3 Energy Conservation Adjustment.

4 Q. How does this amount compare with the estimated true-up
5 amount which was allowed by the Commission during the
6 November 2012 hearing?

7 A. We had estimated that we would under-recover \$249,561.00 as
8 of December 31, 2012.

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

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

12 Q. Does this conclude your testimony?

13 A. Yes.

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

SCHEDULE CT-1
PAGE 1 OF 1

FOR MONTHS January-12 THROUGH December-12

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-12 THROUGH December-12		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>102,113</u>	
5.	INTEREST	<u>273</u>	<u>102,386</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-11 (DATE) HEARINGS		
8.	PRINCIPAL	<u>249,225</u>	
9.	INTEREST	<u>336</u>	<u>249,561</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(147,175)</u>

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(CDY-1)
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-12	THROUGH	December-12	
		<u>ACTUAL</u>		<u>PROJECTED*</u>	<u>DIFFERENCE</u>
1.	LABOR/PAYROLL	228,646		312,967	(84,321)
2.	ADVERTISING	236,252		228,219	8,033
3.	LEGAL	7,103		7,420	(317)
4.	OUTSIDE SERVICES/CONTRACT	48,105		41,455	6,650
5.	VEHICLE COST	13,816		20,318	(6,502)
6.	MATERIAL & SUPPLIES	4,250		36,481	(32,231)
7.	TRAVEL	28,366		50,145	(21,779)
8.	GENERAL & ADMIN	0		0	0
9.	INCENTIVES	72,446		83,292	(10,846)
10.	OTHER	20,251		12,097	8,154
11.	SUB-TOTAL	659,235		792,394	(133,159)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	659,235		792,394	(133,159)
14.	LESS: PRIOR PERIOD TRUE-UP	207,259		236,897	(29,638)
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(764,381)		(780,066)	15,685
17.					
18.	TRUE-UP BEFORE INTEREST	102,113		249,225	(147,112)
19.	ADD INTEREST PROVISION	273		336	(63)
20.	END OF PERIOD TRUE-UP	102,386		249,561	(147,175)

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

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR &		LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL &		OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
	PAYROLL	ADVERTISING						ADMIN.	INCENTIVES				
1. Common	163,592	97,755	7,103	23,105	9,610	3,505	21,665	0	932	4,990	332,257		332,257
2. Residential Energy Survey	50,621	68,276	0	0	3,224	593	5,519	0	0	12,249	140,482		140,482
3. Loan Program (discontinued but remains open)	0	0	0	0	0	0	0	0	(10)	0	(10)		(10)
4. Commercial Energy Survey	3,014	6,662	0	0	186	32	213	0	0	2,986	13,093		13,093
5. Low Income Education	0	0	0	0	0	0	0	0	0	0	0		0
6. Commercial Heating & Cooling Upgrade	1,510	1,144	0	0	91	24	109	0	1,339	0	4,217		4,217
7. Residential Heating & Cooling Upgrade	291	51,854	0	0	19	4	32	0	26,130	0	78,330		78,330
8. Commercial Indoor Efficient Lighting Rebate	5,234	1,204	0	0	409	56	523	0	6,158	23	13,607		13,607
9. Commercial Window Film Installation Program	3,280	1,204	0	0	209	26	226	0	182	2	5,129		5,129
10. Commercial Chiller Upgrade Program	0	1,019	0	0	0	0	0	0	2,403	0	3,422		3,422
11. Solar Water Heating Program	337	3,567	0	0	20	3	25	0	399	1	4,352		4,352
12. Solar Photovoltaic Program	463	3,567	0	0	28	6	34	0	34,913	0	39,011		39,011
13. Electric Conservation Demonstration and Development	304	0	0	25,000	20	1	20	0	0	0	25,345		25,345
14. Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0		0
15.											0		0
16.											0		0
17.											0		0
18.											0		0
19.											0		0
20.											0		0
21.											0		0
22.											0		0
TOTAL ALL PROGRAMS	228,646	236,252	7,103	48,105	13,816	4,250	28,366	0	72,446	20,251	659,235	0	659,235

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

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Common	(31,306)	(12,478)	(317)	(1,660)	(1,994)	(14,017)	(8,851)	0	615	(600)	(70,608)		(70,608)
2. Residential Energy Survey	(22,196)	9,701	0	(830)	(2,180)	(9,345)	(6,178)	0	0	7,370	(23,658)		(23,658)
3. Loan Program (discontinued but remains open)	0	0	0	0	0	0	0	0	(10)	0	(10)		(10)
4. Commercial Energy Survey	(13,216)	(9,742)	0	(420)	(444)	(1,638)	(1,457)	0	0	1,358	(25,559)		(25,559)
5. Low Income Education	0	0	0	0	0	0	0	0	0	0	0		0
6. Commercial Heating & Cooling Upgrade	(1,000)	(1,397)	0	(420)	(329)	(396)	(311)	0	709	0	(3,144)		(3,144)
7. Residential Heating & Cooling Upgrade	(12,209)	27,775	0	(420)	(941)	(2,916)	(2,468)	0	(250)	0	8,571		8,571
8. Commercial Indoor Efficient Lighting Rebate	1,222	(2,462)	0	(420)	89	(605)	(109)	0	(420)	23	(2,682)		(2,682)
9. Commercial Window Film Installation Program	780	(1,212)	0	(420)	39	(604)	(274)	0	(193)	2	(1,882)		(1,882)
10. Commercial Chiller Upgrade Program	(2,510)	(5,567)	0	(420)	(560)	(1,670)	(1,460)	0	(4,580)	0	(16,767)		(16,767)
11. Solar Water Heating Program	(2,163)	2,127	0	(420)	(60)	(417)	(225)	0	(50)	1	(1,207)		(1,207)
12. Solar Photovoltaic Program	(2,027)	1,288	0	(420)	(142)	(624)	(466)	0	(6,667)	0	(9,058)		(9,058)
13. Electric Conservation Demonstration and Development	304	0	0	12,500	20	1	20	0	0	0	12,845		12,845
14. Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0		0
15.											0		0
16.											0		0
17.											0		0
18.											0		0
19.											0		0
20.											0		0
21.											0		0
22.											0		0
TOTAL ALL PROGRAMS	(84,321)	8,033	(317)	6,650	(6,502)	(32,231)	(21,779)	0	(10,846)	8,154	(133,159)	0	(133,159)

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

FOR MONTHS January-12 THROUGH December-12

A. CONSERVATION EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. Common	31,859	54,849	57,825	54,647	53,256	29,258	29,706	30,077	31,810	32,437	18,207	(91,674)	332,257
2. Residential Energy Survey	27,493	(9,760)	8,120	16,431	5,123	13,775	11,359	12,003	8,659	16,548	10,386	20,345	140,482
3. Loan Program (discontinued but remains open)	(10)	0	0	0	0	0	0	0	0	0	0	0	(10)
4. Commercial Energy Survey	0	500	701	488	271	975	516	767	1,636	1,839	1,394	4,006	13,093
5. Low Income Education	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Commercial Heating & Cooling Upgrade	0	0	0	0	0	183	278	534	45	0	250	2,927	4,217
7. Residential Heating & Cooling Upgrade	241	1,239	1,441	3,545	5,092	7,140	11,011	6,759	9,525	9,558	9,495	13,284	78,330
8. Commercial Indoor Efficient Lighting Rebate	5,388	0	0	770	0	1,978	153	850	1,194	1,851	943	480	13,607
9. Commercial Window Film Installation Program	0	0	0	0	0	183	153	181	45	2,849	0	1,718	5,129
10. Commercial Chiller Upgrade Program	0	0	2,403	0	0	183	153	158	45	0	0	480	3,422
11. Solar Water Heating Program	0	0	0	200	0	424	186	649	149	1,879	385	480	4,352
12. Solar Photovoltaic Program	0	0	9,803	0	5,002	5,527	5,187	449	149	1,879	10,196	819	39,011
13. Electric Conservation Demonstration and Developmen	0	0	6,250	0	0	6,250	0	6,250	0	345	0	6,250	25,345
14. Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0
15.													0
16.													0
17.													0
18.													0
19.													0
20.													0
21.													0
22.													0
21. TOTAL ALL PROGRAMS	64,971	46,828	86,543	76,081	68,744	65,876	58,702	58,677	53,257	69,185	51,256	(40,885)	659,235
22. LESS AMOUNT INCLUDED IN RATE BASE													
23. RECOVERABLE CONSERVATION EXPENSES	64,971	46,828	86,543	76,081	68,744	65,876	58,702	58,677	53,257	69,185	51,256	(40,885)	659,235

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-12 THROUGH December-12

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(60,387)	(51,723)	(52,728)	(59,692)	(62,153)	(64,870)	(74,117)	(79,761)	(77,943)	(68,739)	(57,998)	(54,270)	(764,381)
3. TOTAL REVENUES	(60,387)	(51,723)	(52,728)	(59,692)	(62,153)	(64,870)	(74,117)	(79,761)	(77,943)	(68,739)	(57,998)	(54,270)	(764,381)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	17,272	17,272	17,272	17,272	17,272	17,272	17,272	17,272	17,272	17,272	17,272	17,267	207,259
5. CONSERVATION REVENUE APPLICABLE	(43,115)	(34,451)	(35,456)	(42,420)	(44,881)	(47,598)	(56,845)	(62,489)	(60,671)	(51,467)	(40,726)	(37,003)	(557,122)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	64,971	46,828	86,543	76,081	68,744	65,876	58,702	58,677	53,257	69,185	51,256	(40,885)	659,235
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	21,856	12,377	51,087	33,661	23,863	18,278	1,857	(3,812)	(7,414)	17,718	10,530	(77,888)	102,113
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	13	18	22	25	26	30	29	27	23	23	23	14	273
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	207,259	211,856	206,979	240,816	257,230	263,847	264,883	249,497	228,440	203,777	204,246	197,527	207,259
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,272)	(17,267)	(207,259)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	211,856	206,979	240,816	257,230	263,847	264,883	249,497	228,440	203,777	204,246	197,527	102,386	102,386

COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

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

FOR MONTHS January-12 THROUGH December-12

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	207,259	211,856	206,979	240,816	257,230	263,847	264,883	249,497	228,440	203,777	204,246	197,527	207,259
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	211,843	206,961	240,794	257,205	263,821	264,853	249,468	228,413	203,754	204,223	197,504	102,372	102,113
3.	TOTAL BEG. AND ENDING TRUE-UP	419,102	418,817	447,773	498,021	521,051	528,700	514,351	477,910	432,194	408,000	401,750	299,899	309,372
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	209,551	209,409	223,887	249,011	260,526	264,350	257,176	238,955	216,097	204,000	200,875	149,950	154,686
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	0.10%	
7.	TOTAL (LINE C-5 + C-6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.27%	0.25%	0.27%	0.28%	0.23%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.13%	0.14%	0.14%	0.12%	
9.	MONTHLY AVERAGE INTEREST RATE	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.011%	0.010%	0.011%	0.012%	0.010%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	13	18	22	25	26	30	29	27	23	23	23	14	273

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SCHEDULE CT-4

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

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FOR MONTHS January-12 THROUGH December-12

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

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COMPANY: FLORIDA PUBLIC UTILITIES - CONSOLIDATED ELECTRIC

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

FOR MONTHS January-12 THROUGH December-12

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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1. Residential Energy Survey Program
2. Commercial Energy Survey Program
3. Educational/Low Income Program
4. Commercial Heating & Cooling Upgrade Program
5. Residential Heating & Cooling Upgrade Program
6. Commercial Indoor Efficient Lighting Rebate Program
7. Commercial Window Film Installation Program
8. Commercial Chiller Upgrade Program
9. Solar Water Heating Program
10. Solar Photovoltaic Program
11. Conservation Demonstration and Development Program
12. Educational/ Affordable Housing Builders and Providers Program

PROGRAM TITLE: Residential Energy Survey Program

PROGRAM DESCRIPTION: The Residential Energy Survey Program is provided at no cost to the customer and provides participating customers with information they need to determine which energy saving measures are best suited to their individual needs and requirements. The objective of this type of survey is to provide Florida Public Utilities Company's residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. These measures, once implemented, also lower Florida Public Utilities Company's energy requirements and improve operating efficiencies. Florida Public Utilities Company views this program as a way of promoting the installation of cost-effective conservation measures. During the survey process, the customer is provided with specific whole-house recommendations.

PROGRAM ACCOMPLISHMENTS: This year a total of 231 residential energy surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$140,482**.

PROGRAM PROGRESS SUMMARY: We feel confident that through our efforts to promote this program through print, radio, television, events and social media we will continue to provide valuable advice to our customers on the topics of energy conservation and energy efficiency measures and practices.

PROGRAM TITLE: Commercial Energy Survey Program

PROGRAM DESCRIPTION: The Commercial Energy Survey Program provides participating customers with a free energy audit that provides customized information to meet the individual needs of small and large customers; therefore, it is an evolving program. 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 Energy Conservation Representative. The Energy Conservation Representative identifies areas of potential reduction in kW demand and kWh consumption as well as identifying end-use technology opportunities. A technical evaluation is then performed to determine the economic payback or life cycle cost for various improvements to the facility. Florida Public Utilities Company will subcontract the evaluation process to an independent engineering firm and/or contracting consultant, if necessary.

PROGRAM ACCOMPLISHMENTS: This year a total of 54 audits were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$13,093**.

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

PROGRAM TITLE: Educational/Low Income Program

PROGRAM DESCRIPTION: Florida Public Utilities Company presently has energy education programs that identify low-cost and no-cost energy conservation measures. To better assist low-income customers in managing their energy purchases, the presentations and formats of these energy education programs are tailored to the audience. These programs provide basic energy education, as well as inform the customers of other specific services, such as the free energy surveys that Florida Public Utilities Company currently offers.

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

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$0**.

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

PROGRAM TITLE: Commercial Heating & Cooling Efficiency Upgrade Program

PROGRAM DESCRIPTION: The Commercial Heating & Cooling Efficiency Upgrade Program is directed at reducing the rate of growth in peak demand as well as reducing energy consumption throughout Florida Public Utilities Company's commercial sector. The program will do this by increasing the saturation of high-efficiency heat pumps and central air conditioning systems.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 12 customers participated in the Commercial Heating & Cooling Efficiency Upgrade Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$4,217**.

PROGRAM PROGRESS SUMMARY: Even though there was no participation in this program, we will continue our efforts to promote this program to our commercial customers.

PROGRAM TITLE: Residential Heating & Cooling Efficiency Upgrade Program

PROGRAM DESCRIPTION: Residential Heating & Cooling Efficiency Upgrade Program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's electricity service territories. The program will do this by increasing the saturation of high-efficiency heat pumps and central air-conditioning systems.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 213 customers participated in the residential heating and cooling efficiency upgrade program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$78,330**.

PROGRAM PROGRESS SUMMARY: This program has continued to be successful over the years and we are optimistic that our residential customers will continue to find value in this program.

PROGRAM TITLE: Commercial Indoor Efficient Lighting Rebate Program

PROGRAM DESCRIPTION: The Commercial Indoor Efficient Lighting Rebate Program is directed at reducing peak demand and energy consumption by decreasing the load presented by commercial lighting equipment. To serve this purpose, this program requires that commercial customers achieve at least 1,000 watts of lighting reduction by either replacing ballasts and lamps, qualifying for a \$.010 per watt reduced incentive or by replacing lamps only for an incentive of \$0.025 per watt reduced (maximum \$100 rebate).

PROGRAM ACCOMPLISHMENTS: For the reporting period, 1 customer participated in the Commercial Indoor Efficient Lighting Rebate Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$13,607**.

PROGRAM PROGRESS SUMMARY: Even though we did not meet our goal for this program, we will continue our efforts in 2013 to promote this program.

PROGRAM TITLE: Commercial Window Film Installation Program

PROGRAM DESCRIPTION: The Commercial Window Film Installation Program is directed at reducing peak demand and energy by decreasing the load on commercial air conditioning equipment. To serve this purpose, Florida Public Utilities Company will provide rebates of \$0.50 per square foot of covered area (at a maximum of \$100 per customer) for solar window film installations with a shading coefficient of 0.45 or less. An on-site inspection should be scheduled with FPUC prior to installation.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 3 customers participated in the Commercial Window Film Installation Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$5,129**.

PROGRAM PROGRESS SUMMARY: Even though we did not meet our goal for this program, we have adjusted our program standards to allow all installations, regardless of what direction they are facing, to qualify and expect increased participation in this program for 2013.

PROGRAM TITLE: Commercial Chiller Upgrade Program

PROGRAM DESCRIPTION: The Commercial Chiller Upgrade Program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's commercial sector. To serve this purpose, this program requires that commercial customers replace existing chillers with a more efficient system. By doing so, they will qualify for an incentive of up to \$100 per kW of additional savings above the minimum efficiency levels.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 0 customers participated in the Commercial Chiller Upgrade Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$3,422**.

PROGRAM PROGRESS SUMMARY: Even though we did not meet our goal for this year, we are optimistic that our commercial customers will continue to find value in this program.

PROGRAM TITLE: Solar Water Heating Program

PROGRAM DESCRIPTION: The Solar Water Heating Program is directed at reducing the consumption of electric energy and fossil fuels in Florida Public Utilities Company's service territory. Florida Public Utilities Company will provide a rebate of \$200 for eligible solar water heating installations. All of Florida Public Utilities Company's customers are eligible to participate in this program but each customer can only receive one incentive payment of \$200, regardless of the amount of installations.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 2 customers participated in the Solar Water Heating Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$4,352**.

PROGRAM PROGRESS SUMMARY: Although our goal of 12 installations for this program was not met, we used over 90% of the dollars allotted for renewable energy programs and look forward to increased participation in 2013.

PROGRAM TITLE: Solar Photovoltaic Program

PROGRAM DESCRIPTION: The primary purpose of the Solar Water Heating Program is to encourage the installation of solar photovoltaic systems and reduce the consumption of fossil fuels used to generate electricity. Florida Public Utilities Company will provide an incentive of \$2.00 per watt of dc solar PV installed, up to a maximum of \$5000. Excess generation from the solar PV installation will be purchased by Florida Public Utilities Company under the terms of the Northwest Florida Division Rate Schedule REN-1 or the Northeast Florida Division Rate Schedule REN-1.

PROGRAM ACCOMPLISHMENTS: For the reporting period, 8 customers participated in the Solar Photovoltaic Program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$39,011**.

PROGRAM PROGRESS SUMMARY: This program was very successful this year and we are optimistic that our customers will continue to find value in this program.

PROGRAM TITLE: Conservation Demonstration and Development Program

PROGRAM DESCRIPTION: The primary purpose of the Conservation Demonstration and Development (CDD) program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. This program will supplement and complement the other demand-side management programs offered by Florida Public Utilities Company. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies. The CDD program does not focus on any specific end-use technology but, instead, will address a wide variety of energy applications.

PROGRAM ACCOMPLISHMENTS: For this reporting period, we used the Conservation Demonstration and Development Program to pursue a LED street lighting study in partnership with the City of Fernandina Beach. Details can be found in our 2012 annual report.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$25,345**.

PROGRAM PROGRESS SUMMARY: Even though there is no particular goal for this program we continue to explore new technologies for applicability to this program.

PROGRAM TITLE: Affordable Housing Builders and Providers

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

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

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$0**.

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