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September 10, 2013

E-PORTAL/ELECTRONIC FILING

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

Re: Docket No. 130004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-4 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities Company, along with the Company's Petition for Approval of Conservation Cost Recovery Factors. Consistent with the directions for this docket, copies of the Petition, Testimony, and Exhibit are being provided to Staff Counsel.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery)
_____)

Docket No. 130004-GU
Filed: September 10, 2013

PETITION OF THE FLORIDA PUBLIC UTILITIES COMPANY
FOR APPROVAL OF
CONSERVATION COST RECOVERY FACTORS

Florida Public Utilities Company, Consolidated Natural Gas Division (herein, "FPUC" or "Company"), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this ~~petition to the Commission for approval of its Conservation Cost Recovery Adjustment factors~~ listed herein below to be applied to bills rendered for meter readings taken between January 1, 2014 and December 31, 2014. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

2. The name and address of the persons authorized to receive notices and communications in respect to this docket is:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Cheryl Martin
Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

3. The Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2014 through December 31, 2014, adjusted for the

net true-up (which includes the estimated energy conservation true-up for the period January 1, 2013 through December 31, 2013), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Mr. Curtis Young and Exhibit CDY-4.

4. The Company projects total energy conservation program expenses of \$3,198,000 for the period January 2014 through December 2014. The projected net true-up is an over-recovery of \$118,226. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$3,079,774 remains to be recovered during the period January 1, 2014 through December 31, 2014. Dividing this total among the Company's rate classes and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following Conservation Cost Recovery Adjustment factors for which the Company seeks approval in this petition.

| <u>Rate Class</u> | <u>Adjustment Factor (dollars per therm)</u> |
|---|--|
| Residential | \$0.09256 |
| General Service & GS Transportation (GS1) | \$0.05062 |
| General Service & GS Transportation (GS2) | \$0.04693 |
| Large Volume Service | \$0.03655 |
| LV Service & LV Transportation <50,000 | \$0.03655 |
| LV Transportation >50,000 | \$0.03655 |
| Fort Meade Residential | \$0.09256 |
| Fort Meade Commercial (GS&GS Transp.) | \$0.05062 |
| Fort Meade (LV&LV TRANSP) | \$0.03655 |

WHEREFORE, THE FLORIDA PUBLIC UTILITIES COMPANY asks that the Commission grant this petition, and approve the above Conservation Cost Recovery

Docket No. 130004-GU

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Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2014 and December 31, 2014, inclusive.

RESPECTFULLY submitted this 10th day of September 2013.



Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

*Attorneys for Florida Public Utilities
Company*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Public Utilities Company, as well as the Direct Testimony and Exhibits of Mr. Curtis Young, has been furnished by U.S. Mail or electronic mail* to the following parties of record this 10th day of September, 2013:

| | |
|---|--|
| Florida Public Utilities Company Cheryl Martin/Aleida Socarras 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703 | MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531 |
| Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317 | Office of Public Counsel J.R. Kelly/Patricia Christensen e/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 |
| Peoples Gas System Paula Brown/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 | St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf* P.O. Box 549 Port St. Joe, FL 32457-0549 |
| Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 | AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309 |
| Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498 | Lee Eng Tan/Kelley Corbari Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 |



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (Projection) Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

1 **Q. Please state your name and business address.**

2 A. Curtis D. Young. My business address is 1641 Worthington Drive Suite 220,
3 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 (FPUC) as Senior
6 Regulatory Analyst.

7 **Q. Can you please provide a brief overview of your background and
8 business experience?**

9 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have
10 been employed by FPUC since 2001. During my employment at FPUC, I have
11 performed various accounting and analytical functions including regulatory
12 filings, revenue reporting, account analysis, recovery rate reconciliations and
13 earnings surveillance. I'm also involved in the preparation of special reports
14 and schedules used internally by division managers for decision making
15 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

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

17 A. To advise the Commission as to the Conservation Cost Recovery Clause

1 Calculation for the period January 2014 through December 2014.

2 **Q. Have you included descriptions and summary information on the**
3 **Conservation Programs currently approved and available to your**
4 **customers?**

5 A. Yes, the Company has included summaries of the approved conservation
6 programs currently available to our customers in C-5 of Exhibit CDY-4.

7 **Q. Were the summaries of the Company's Conservation Programs and the**
8 **Costs associated with these Programs completed under your direction or**
9 **review?**

10 A. Yes, the standard review process also included the Energy Conservation
11 Supervisor, the Director of Marketing and Sales and the Director of
12 Regulatory Affairs.

13 **Q. What are the total projected costs for the period January 2014 through**
14 **December 2014 in the Consolidated Natural Gas Division?**

15 A. The total projected Conservation Program Costs are \$3,198,000. Please see
16 Schedule C-2, page 2, for the programmatic and functional breakdown of
17 these total costs.

18 **Q. What is the true-up for the period January 2013 through December**
19 **2013?**

20 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
21 Consolidated Natural Gas Division is an over-recovery of \$118,226.

22 **Q. What are the resulting net total projected conservation costs to be**
23 **recovered during this projection period?**

24 A. The total costs to be recovered are \$3,079,774.

1 **Q. The Company is in the process of finalizing the acquisition of Fort Meade**
2 **Natural Gas from the City of Fort Meade, does the Company want to**
3 **adopt the FPUC Natural Gas Conservation for the customers located in**
4 **this new area?**

5 A. Yes, the Company wants to offer the same programs currently offered in our
6 FPUC Natural gas operations to those customers located in Fort Meade.

7 **Q. Has the Company included the projected rates, and information to**
8 **properly allocate the cost recovery to those customers located in Fort**

9 **Meade?**

10 A. Yes, the Company has included the projected data necessary to set appropriate
11 rates for the customers located in Fort Meade.

12 **Q. What is the Conservation Adjustment Factor necessary to recover these**
13 **projected net total costs?**

14 A. The Conservation Adjustment Factors per therm for the Consolidated Natural
15 Gas Division and Fort Meade are:

| | |
|---|-----------------|
| 16 Residential | \$.09256 |
| 17 General Service & Transportation (GS1) | \$.05062 |
| 18 General Service & Transportation (GS2) | \$.04693 |
| 19 Large Volume Service | \$.03655 |
| 20 LV Service Transportation <50,000 | \$.03655 |
| 21 LV Transportation Service >50,000 | \$.03655 |
| 22 Fort Meade Residential | \$.09256 |
| 23 Fort Meade Commercial (GS&GS TRANSP) | \$.05062 |

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Q. Do these charges apply to your entire natural gas customer base?

A. No, the customer classes for Outdoor Lights, Interruptible and Interruptible Transportation have always been exempt from the Conservation Adjustment Factor due to the distinctive service provided by the Company.

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

A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-5 (Composite Prehearing Identification Number CDY-4), which have been filed

with this testimony.

Q. Does this conclude your testimony?

A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2014 THROUGH DECEMBER 2014

| | | |
|---|----|-----------|
| 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) | \$ | 3,198,000 |
| 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11) | \$ | (118,226) |
| 3. TOTAL (LINE 1 AND LINE 2) | \$ | 3,079,774 |

| RATE SCHEDULE | BILLS | THERMS | CUSTOMER CHARGE | NON-GAS ENERGY CHARGE | TOTAL CUST. & ENGY CHG REVENUE | ECCR REVENUES | ECCR AS % OF TOTAL REVENUES | DOLLARS PER THERM | TAX FACTOR | CONSERV FACTOR |
|--|----------------|-------------------|------------------|-----------------------|--------------------------------|------------------|-----------------------------|-------------------|------------|----------------|
| RESIDENTIAL (FPU, Fort Meade) | 598,737 | 12,734,444 | 6,586,107 | 6,345,319 | 12,931,426 | 1,172,791 | 9.06931% | \$ 0.09210 | 1.00503 | \$ 0.09256 |
| COMMERCIAL SMALL (FPU, Fort Meade) (Gen Srv GS1 & GS Transportation <600) | 14,481 | 1,765,730 | 289,620 | 691,036 | 980,656 | 88,939 | 9.06931% | \$ 0.05037 | 1.00503 | \$ 0.05062 |
| COMMERCIAL SMALL (FPU) (Gen Srv GS2 & GS Transportation >600) | 29,217 | 7,809,992 | 964,161 | 3,056,518 | 4,020,679 | 364,648 | 9.06931% | \$ 0.04669 | 1.00503 | \$ 0.04693 |
| COMM. LRG VOLUME (FPU, Fort Meade) (Large Vol & LV Transportation <,> 50,000 units) | 21,030 | 39,961,353 | 1,892,700 | 14,132,732 | 16,025,432 | 1,453,396 | 9.06931% | \$ 0.03637 | 1.00503 | \$ 0.03655 |
| TOTAL | 663,465 | 62,271,519 | 9,732,588 | 24,225,605 | 33,958,193 | 3,079,774 | | | | |

EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES COMPANY
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PAGE 1 OF 18

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2014 THROUGH DECEMBER 2014

| PROGRAM | JAN 2014 | FEB 2014 | MAR 2014 | APR 2014 | MAY 2014 | JUN 2014 | JUL 2014 | AUG 2014 | SEP 2014 | OCT 2014 | NOV 2014 | DEC 2014 | TOTAL |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| 1 Full House Residential New Construction | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,521 | 42,519 | 510,250 |
| 2 Resid. Appliance Replacement | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,208 | 64,212 | 770,500 |
| 3 Conservation Education | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 16,250 | 195,000 |
| 4 Space Conditioning | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 837 | 10,000 |
| 5 Residential Conservation Survey | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,792 | 6,788 | 81,500 |
| 6 Residential Appliance Reterition | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,667 | 63,663 | 764,000 |
| 7 Commercial Conservation Survey | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,792 | 1,788 | 21,500 |
| 8 Residential Service Reactivation | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,063 | 4,067 | 48,750 |
| 9 Common | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 61,375 | 736,500 |
| 10 Conserv. Demonstration and Development | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 266,501 | 266,489 | 3,198,000 |

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2014 THROUGH DECEMBER 2014

| PROGRAM | CAPITAL INVEST | PAYROLL & BENEFITS | MATERIALS & SUPPLIES | ADVERTISE | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---|-------------------|-----------------------|-------------------------|------------------|------------------|---------------------|----------------|---------------|------------------|
| 1 Full House Residential New Construction | 0 | 15,000 | 500 | 90,000 | 400,000 | 0 | 4,500 | 250 | 510,250 |
| 2 Resid. Appliance Replacement | 0 | 30,000 | 1,000 | 370,000 | 360,000 | 0 | 9,000 | 500 | 770,500 |
| 3 Conservation Education | 0 | 15,000 | 500 | 160,000 | 0 | 0 | 4,500 | 15,000 | 195,000 |
| 4 Space Conditioning | 0 | 0 | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 10,000 |
| 5 Residential Conservation Survey | 0 | 15,000 | 2,000 | 35,000 | 0 | 0 | 4,500 | 25,000 | 81,500 |
| 6 Residential Appliance Retention | 0 | 25,000 | 1,000 | 350,000 | 380,000 | 0 | 7,500 | 500 | 764,000 |
| 7 Commercial Conservation Survey | 0 | 5,000 | 2,000 | 5,000 | 0 | 1,000 | 1,500 | 7,000 | 21,500 |
| 8 Residential Service Reactivation | 0 | 10,000 | 500 | 25,000 | 10,000 | 0 | 3,000 | 250 | 48,750 |
| 9 Common | 0 | 580,000 | 20,000 | 0 | 500 | 11,000 | 80,000 | 45,000 | 736,500 |
| 10 Conserv. Demonstration and Development | 0 | 0 | 0 | 0 | 0 | 60,000 | 0 | 0 | 60,000 |
| 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROGRAM COSTS | 0 | 695,000 | 27,500 | 1,040,000 | 1,155,500 | 72,000 | 114,500 | 93,500 | 3,198,000 |

EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES COMPANY
CDY-4
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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2013 THROUGH JUNE 2013; ESTIMATED JULY 2013 THROUGH DECEMBER 2013

| PROGRAM | CAPITAL INVEST | PAYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INGENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---|----------------|--------------------|---------------------|---------|------------|------------------|---------|--------|-----------|
| 1 Full House Residential New Construction | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 42,634 | 252,816 | 0 | 0 | 0 | 295,450 |
| B. ESTIMATED (JUL-DEC) | 0 | 21,500 | 500 | 105,000 | 112,500 | 500 | 10,250 | 498 | 250,748 |
| C. TOTAL | 0 | 21,500 | 500 | 147,634 | 365,316 | 500 | 10,250 | 498 | 546,198 |
| 2 Resid. Appliance Replacement | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 180,405 | 182,150 | 0 | 0 | 0 | 362,555 |
| B. ESTIMATED (JUL-DEC) | 0 | 24,000 | 750 | 135,000 | 127,500 | 500 | 12,500 | 500 | 300,750 |
| C. TOTAL | 0 | 24,000 | 750 | 315,405 | 309,650 | 500 | 12,500 | 500 | 663,305 |
| 3 Conservation Education | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 59 | 0 | 78,623 | 0 | 0 | 0 | 7,275 | 85,957 |
| B. ESTIMATED (JUL-DEC) | 0 | 10,500 | 750 | 50,000 | 0 | 1,000 | 5,000 | 2,500 | 69,750 |
| C. TOTAL | 0 | 10,559 | 750 | 128,623 | 0 | 1,000 | 5,000 | 9,775 | 155,707 |
| 4 Space Conditioning | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED (JUL-DEC) | 0 | 2,500 | 120 | 2,500 | 2,500 | 0 | 1,250 | 130 | 9,000 |
| C. TOTAL | 0 | 2,500 | 120 | 2,500 | 2,500 | 0 | 1,250 | 130 | 9,000 |
| 5 Residential Conservation Survey | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 3,214 | 47 | 16,672 | 0 | 0 | 617 | 12,853 | 33,403 |
| B. ESTIMATED (JUL-DEC) | 0 | 2,500 | 122 | 7,500 | 0 | 0 | 1,250 | 10,000 | 21,372 |
| C. TOTAL | 0 | 5,714 | 169 | 24,172 | 0 | 0 | 1,867 | 22,853 | 54,775 |
| 6 Residential Appliance Retention | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 74 | 0 | 171,257 | 169,078 | 0 | 0 | 0 | 340,409 |
| B. ESTIMATED (JUL-DEC) | 0 | 18,000 | 500 | 135,000 | 190,000 | 500 | 9,500 | 252 | 353,752 |
| C. TOTAL | 0 | 18,074 | 500 | 306,257 | 359,078 | 500 | 9,500 | 252 | 694,161 |
| 7 Commercial Conservation Survey | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 1,127 | 23 | 1,595 | 0 | 0 | 216 | 3,247 | 6,208 |
| B. ESTIMATED (JUL-DEC) | 0 | 2,500 | 126 | 2,500 | 0 | 0 | 1,250 | 2,500 | 8,876 |
| C. TOTAL | 0 | 3,627 | 149 | 4,095 | 0 | 0 | 1,466 | 5,747 | 15,084 |
| SUB-TOTAL | 0 | 85,974 | 2,938 | 928,686 | 1,036,544 | 2,500 | 41,833 | 39,755 | 2,138,230 |

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2013 THROUGH JUNE 2013; ESTIMATED JULY 2013 THROUGH DECEMBER 2013

| PROGRAM NAME | CAPITAL INVEST | PAYROLL & BENEFITS | MATERLS. & SUPPLIES | ADVERT | INCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---|----------------|--------------------|---------------------|----------------|------------------|------------------|----------------|---------------|------------------|
| SUB-TOTAL - PREVIOUS PAGE | 0 | 85,974 | 2,938 | 928,686 | 1,036,544 | 2,500 | 41,833 | 39,755 | 2,138,230 |
| 8 Residential Service Reactivation | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 74 | 0 | 3,328 | 2,800 | 0 | 0 | 0 | 6,202 |
| B. ESTIMATED (JUL-DEC) | 0 | 2,500 | 130 | 15,000 | 2,500 | 1,000 | 1,250 | 120 | 22,500 |
| C. TOTAL | 0 | 2,574 | 130 | 18,328 | 5,300 | 1,000 | 1,250 | 120 | 28,702 |
| 9 Common | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 308,504 | 10,593 | 450 | 872 | 2,797 | 53,781 | 21,472 | 398,469 |
| B. ESTIMATED (JUL-DEC) | 0 | 337,500 | 5,000 | 0 | 0 | 2,000 | 17,250 | 12,500 | 374,250 |
| C. TOTAL | 0 | 646,004 | 15,593 | 450 | 872 | 4,797 | 71,031 | 33,972 | 772,719 |
| 10 Conserv. Demonstration and Development | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 0 | 0 | 3,597 | 0 | 0 | 3,597 |
| B. ESTIMATED (JUL-DEC) | 0 | 2,500 | 0 | 0 | 0 | 2,500 | 1,248 | 0 | 6,248 |
| C. TOTAL | 0 | 2,500 | 0 | 0 | 0 | 6,097 | 1,248 | 0 | 9,845 |
| 11 | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED (JUL-DEC) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED (JUL-DEC) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | | | | | | | | | |
| A. ACTUAL (JAN-JUN) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED (JUL-DEC) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 N/A | | | | | | | | | |
| A. ACTUAL (JAN-JUL) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED (AUG-DEC) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 737,052 | 18,661 | 947,464 | 1,042,716 | 14,394 | 115,362 | 73,847 | 2,949,496 |

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
 CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 ACTUAL JANUARY 2013 THROUGH JUNE 2013; ESTIMATED JULY 2013 THROUGH DECEMBER 2013

| PROGRAM NAME | ----- ACTUAL ----- | | | ----- ACTUAL ----- | | | --- PROJECTION --- | | | | | | TOTAL |
|---|--------------------|----------------|----------------|--------------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | JAN 2013 | FEB 2013 | MAR 2013 | APR 2013 | MAY 2013 | JUN 2013 | JUL 2013 | AUG 2013 | SEP 2013 | OCT 2013 | NOV 2013 | DEC 2013 | |
| Full House Residential New Construction | 84,786 | 32,579 | 56,655 | 46,252 | 49,770 | 23,408 | 41,792 | 41,792 | 41,792 | 41,792 | 41,792 | 41,788 | 546,198 |
| Resid. Appliance Replacement | 53,320 | 68,167 | 53,800 | 47,530 | 85,589 | 54,149 | 50,125 | 50,125 | 50,125 | 50,125 | 50,125 | 50,125 | 663,305 |
| Conservation Education | 8,529 | 20,400 | 12,011 | 11,484 | 21,118 | 12,415 | 11,825 | 11,825 | 11,825 | 11,825 | 11,825 | 11,625 | 155,707 |
| Space Conditioning | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 9,000 |
| Residential Conservation Survey | 6,474 | 5,098 | 3,577 | 6,499 | 5,315 | 6,440 | 3,563 | 3,563 | 3,563 | 3,563 | 3,563 | 3,557 | 54,775 |
| Residential Appliance Retention | 46,090 | 58,867 | 59,593 | 50,633 | 83,723 | 39,503 | 58,958 | 58,958 | 58,958 | 58,958 | 58,958 | 58,962 | 684,181 |
| Commercial Conservation Survey | 637 | 2,048 | 454 | 753 | 1,336 | 970 | 1,479 | 1,479 | 1,479 | 1,479 | 1,479 | 1,481 | 15,084 |
| Residential Service Reactivation | 74 | 700 | 700 | 0 | 703 | 4,025 | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 28,702 |
| Common | 68,977 | 65,214 | 65,567 | 67,320 | 76,034 | 55,357 | 62,375 | 62,375 | 62,375 | 62,375 | 62,375 | 62,375 | 772,719 |
| Conserv. Demonstration and Development | 0 | 530 | 531 | 530 | 1,003 | 1,003 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 | 1,038 | 9,845 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 270,887 | 253,603 | 254,898 | 231,001 | 324,591 | 197,270 | 236,209 | 236,209 | 236,209 | 236,209 | 236,209 | 236,201 | 2,949,496 |

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
ENERGY CONSERVATION ADJUSTMENT
ACTUAL JANUARY 2013 THROUGH JUNE 2013; ESTIMATED JULY 2013 THROUGH DECEMBER 2013

| | ----- ACTUAL ----- | | ----- ACTUAL ----- | | ----- ACTUAL ----- | | ----- ACTUAL ----- | | --- PROJECTION --- | | | --- PROJECTION --- | | | TOTAL |
|---|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|-------------|--------------------|-----------|-----------|-------------|
| | JAN 2013 | FEB 2013 | MAR 2013 | APR 2013 | MAY 2013 | JUN 2013 | JUL 2013 | AUG 2013 | SEP 2013 | OCT 2013 | NOV 2013 | DEC 2013 | | | |
| CONSERVATION REVS. | | | | | | | | | | | | | | | |
| RCS AUDIT FEES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a. OTHER PROG. REV. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONSERV. ADJ REV. (NET OF REV. TAXES) | (282,349) | (273,804) | (279,310) | (258,732) | (214,154) | (190,365) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (2,774,566) |
| TOTAL REVENUES | (282,349) | (273,804) | (279,310) | (258,732) | (214,154) | (190,365) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (212,642) | (2,774,566) |
| PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD | (24,415) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (24,412) | (292,947) |
| CONSERVATION REVS. APPLIC. TO PERIOD | (306,784) | (298,216) | (303,722) | (283,144) | (238,566) | (214,777) | (237,054) | (237,054) | (237,054) | (237,054) | (237,054) | (237,054) | (237,054) | (237,054) | (3,067,513) |
| CONSERVATION EXPS. (FORM C-3, PAGE 3) | 270,887 | 253,603 | 254,888 | 231,001 | 324,591 | 197,270 | 236,209 | 236,209 | 236,209 | 236,209 | 236,209 | 236,209 | 236,209 | 236,209 | 2,949,496 |
| TRUE-UP THIS PERIOD | (35,877) | (44,613) | (48,824) | (52,143) | 86,025 | (17,507) | (845) | (845) | (845) | (845) | (845) | (845) | (845) | (853) | (118,017) |
| INTEREST THIS PERIOD (C-3, PAGE 5) | (31) | (38) | (32) | (27) | (19) | (14) | (13) | (9) | (8) | (7) | (6) | (5) | (5) | (5) | (209) |
| TRUE-UP & INT. BEG. OF MONTH | (292,947) | (304,440) | (324,679) | (349,123) | (376,881) | (266,463) | (259,572) | (236,018) | (212,460) | (188,901) | (165,341) | (141,780) | (141,780) | (141,780) | (292,947) |
| PRIOR TRUE-UP COLLECT./(REFUND.) | 24,415 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 24,412 | 292,947 |
| Audit Adj. - Prior period | | | | | | | | | | | | | | | 0 |
| END OF PERIOD TOTAL NET TRUE-UP | (304,440) | (324,879) | (349,123) | (376,881) | (266,463) | (259,572) | (236,018) | (212,460) | (188,901) | (165,341) | (141,780) | (141,780) | (141,780) | (141,780) | (118,226) |

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION & FORT MEADE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2013 THROUGH JUNE 2013; ESTIMATED JULY 2013 THROUGH DECEMBER 2013

| | ----- ACTUAL ----- | | ----- ACTUAL ----- | | ----- ACTUAL ----- | | ----- ACTUAL ----- | | --- PROJECTION --- | | --- PROJECTION --- | | --- PROJECTION --- | | TOTAL |
|---|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|--|---------|
| | JAN 2013 | FEB 2013 | MAR 2013 | APR 2013 | MAY 2013 | JUN 2013 | JUL 2013 | AUG 2013 | SEP 2013 | OCT 2013 | NOV 2013 | DEC 2013 | | | |
| INTEREST PROVISION | | | | | | | | | | | | | | | |
| BEGINNING TRUE-UP | (292,947) | (304,440) | (324,679) | (349,123) | (376,881) | (266,463) | (259,572) | (236,018) | (212,460) | (188,901) | (165,341) | (141,780) | | | |
| END, T-UP BEFORE INT. | (304,409) | (324,841) | (349,051) | (378,854) | (268,444) | (259,558) | (236,005) | (212,451) | (188,893) | (165,334) | (141,774) | (118,221) | | | |
| TOT. BEG. & END, T-UP | (597,356) | (629,081) | (673,770) | (725,977) | (643,325) | (526,021) | (495,577) | (448,469) | (401,353) | (354,235) | (307,115) | (260,001) | | | |
| AVERAGE TRUE-UP | (298,678) | (314,541) | (336,885) | (362,989) | (321,663) | (283,011) | (247,789) | (224,235) | (200,677) | (177,118) | (153,558) | (130,001) | | | |
| INT. RATE-FIRST DAY OF REPORTING BUS. MTH | 0.10% | 0.15% | 0.14% | 0.09% | 0.09% | 0.05% | 0.08% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | | | |
| INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH | 0.15% | 0.14% | 0.09% | 0.09% | 0.05% | 0.08% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | | | |
| TOTAL | 0.25% | 0.29% | 0.23% | 0.18% | 0.14% | 0.13% | 0.13% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | | | |
| AVG INTEREST RATE | 0.13% | 0.15% | 0.12% | 0.09% | 0.07% | 0.07% | 0.07% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | | | |
| MONTHLY AVG. RATE | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | | |
| INTEREST PROVISION | (\$31) | (\$38) | (\$32) | (\$27) | (\$19) | (\$14) | (\$13) | (\$9) | (\$8) | (\$7) | (\$6) | (\$5) | | | (\$209) |

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**

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

PROGRAM:

1. Full House Residential New Construction Program
 2. Residential Appliance Replacement Program
 3. Residential Appliance Retention Program
 4. Residential Service Reactivation Program
 5. Residential Conservation Service Program
 6. Commercial Conservation Service Program
 7. Conservation Education Program
 8. Space Conditioning Program
 9. Conservation Demonstration & Development
-

**EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-2)
PAGE 9 OF 18**

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 2 OF 10**

PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

This program is designed to increase the overall energy efficiency in the residential single- and multi-family new construction market by promoting energy-efficient natural gas appliances. The program offers builders and developers incentives in the form of cash allowances to defray the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

| | |
|-----------------------------|-------|
| Furnace or Hydro heater | \$500 |
| Tank Water Heater | \$350 |
| High Eff. Tank Water Heater | \$400 |
| Range | \$150 |
| Dryer | \$100 |
| Tankless | \$550 |

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 500 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$ 510,250.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through June 2013, FPUC has connected approximately 3,930 single- and multi-family homes to its natural gas system.

**EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-2)
PAGE 10 OF 18**

PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

| | |
|-----------------------------|-------|
| Furnace or Hydro heater | \$725 |
| Tank Water Heater | \$500 |
| High Eff. Tank Water Heater | \$550 |
| Range | \$200 |
| Dryer | \$150 |
| Tankless | \$675 |

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 600 natural gas appliances will be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$770,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through June 2013, FPUC has connected 4,429 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
PAGE 4 OF 10**

PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

This program is designed to promote the retention of energy-efficient appliances for current natural gas customers. The program offers allowances to customers to assist in defraying the cost of purchasing and installing more expensive energy-efficient appliances.

PROGRAM ALLOWANCES:

| | |
|-----------------------------|-------|
| Furnace or Hydro heater | \$500 |
| Tank Water Heater | \$350 |
| High Eff. Tank Water Heater | \$400 |
| Range | \$100 |
| Dryer | \$100 |
| Tankless | \$550 |

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 1125 appliances will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$764,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through June 2012, FPUC has retained 9,526 natural gas appliances connected to its distributions system.

**EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-2)
PAGE 12 OF 18**

PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and the installation of energy-efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service Reactivation (the installation of a water heater is required) \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 30 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$48,750.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through June 2013, FPUC has reactivated 34 customers with water heaters to its distributions system.

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DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-2)
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PROGRAM TITLE:

Residential Conservation Survey Program

PROGRAM DESCRIPTION:

This program is designed to assist residential customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 50 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$81,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through June 2012, approximately 310 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

PROGRAM TITLE:

Commercial Conservation Survey Program

PROGRAM DESCRIPTION:

This program is designed to assist commercial customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 25 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$21,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through June 2013, 172 commercial customers have participated.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

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

PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

The purpose of this program is to teach adult and young people about conservation measures designed to reduce energy consumption and consequently reduce their utility bills.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 30 adult and youth presentations with 1000 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2014, FPUC estimates expenses of \$195,000

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through June 2013, FPUC has given 168 adult and youth educational presentations.

**EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-2)
PAGE 16 OF 18**

PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

This program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for higher initial costs of natural gas space conditioning equipment and the associated installation costs. This program also reduces summer as well as winter peak demand and contributes to the conservation of kwh/kwd consumption.

PROGRAM ALLOWANCES:

| | |
|-----------------|---|
| Residential | \$1200 (For Robur model or equivalent unit) |
| Non-Residential | \$ 50 per ton |

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, FPUC estimates that 1 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$10,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through June 2013, FPUC has connected 8 space conditioning projects to its natural gas system.

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. 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 ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2014, the Company estimates that it will complete 3 projects under this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2014, FPUC estimates expenses of \$60,000.