

Writer's E-Mail Address: bkeating@gunster.com

May 2, 2016

VIA E-PORTAL

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 160004-GU – Natural Gas Conservation Cost Recovery

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-1 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities and Florida Public Utilities Company-Fort Meade, as well as Florida Public Utilities Company-Indiantown Division, and Florida Division of Chesapeake Utilities Corporation (Consolidated Companies), along with the Companies' Consolidated Petition for Approval of Final True Up Amount.

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

(Composite Exhibit CDY-1) for the period, consisting of the CT schedules and reporting forms supplied by the Commission Staff.

4. As indicated in the Testimony of Mr. Curtis D. Young, for the period January 2015 through December 2015, the Consolidated Companies under-recovered \$2,694,184, as compared to its estimated under-recovery of \$1,290,449, resulting in an adjusted end of period total true up amount of an under-recovery of \$1,403,735, as further indicated on Exhibit CDY-1.

WHEREFORE, the Consolidated Companies respectfully request that the Commission enter an Order approving the Companies' final natural gas conservation true-up amounts for the period January 1, 2015 through December 31, 2015.

RESPECTFULLY SUBMITTED this 2nd day of May 2016.



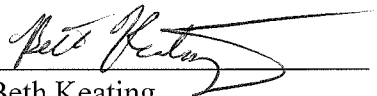
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*Attorneys for Florida Public Utilities
Company/Florida Division of Chesapeake Utilities
Corporation (Consolidated Natural Gas
Companies)*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Consolidated Companies’ Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 160004-GU has been furnished by Electronic Mail to the following parties of record this 2nd day of May 2016, along with a copy of the referenced Testimony and Exhibit (CDY-1) of Mr. Young:

<p>Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com; AB@macfar.com</p>
<p>Messer Law Firm Paula Sparkman P.O Box 15579 Tallahassee, FL 32317 psparkman@lawfla.com</p>	<p>Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Christensen.Patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us</p>
<p>Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com kfloyd@tecoenergy.com</p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 Andy@stjoegas.com</p>
<p>Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com</p>	<p>AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@aglresources.com</p>
<p>Florida City Gas Carolyn Bermudez 933 East 25th Street Hialeah, FL 33013-3498 cbermude@aglresources.com</p>	<p>Kelley Corbari/Leslie Ames Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kcorbari@psc.state.fl.us lames@psc.state.fl.us</p>

AGL Resources Inc. Blake O'Farrow Ten Peachtree Place Location 1686 Atlanta, GA 30309 bofarrow@aglresources.com	
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Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160004-GU:

NATURAL GAS CONSERVATION COST RECOVERY CLAUSE

Direct Testimony

(Final True Up) of

CURTIS D. YOUNG

On Behalf of

Florida Public Utilities Company and the Florida
Division of Chesapeake Utilities Company Consolidated
Gas Companies

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

2 A. My name is Curtis D. Young. My business address is 1641 Worthington Road, Suite
3 220, 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 Senior Regulatory Analyst.

6 **Q. Can you please provide a brief overview of your educational and employment
7 background?**

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

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

1 A. To advise the Commission of the actual over/under recovery of the Conservation costs
2 for the period January 1, 2015 through December 31, 2015 as compared to the amount
3 previously reported for that period which was based on six months of actual data and six
4 months of estimated data.

5 **Q. Please state the actual amount of over/under recovery of Conservation Program**
6 **costs for the gas divisions of Florida Public Utilities Company for January 1, 2015**
7 **through December 31, 2015.**

8 A. The Company under-recovered \$2,694,184 during that period. This amount is
9 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
10 Provision.

11 **Q. How does this amount compare with the estimated true-up amount which was**
12 **allowed by the Commission?**

13 A. We had estimated that we would under-recover \$1,290,449 as of December 31, 2015.

14 **Q. Have you prepared any exhibits at this time?**

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

17 **Q. Does this conclude your testimony?**

18 A. Yes.

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-15 THROUGH December-15

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS	January-15	THROUGH December-15
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL		<u>2,692,450</u>
5.	INTEREST		<u>1,734</u>
			<u>2,694,184</u>
6.	LESS PROJECTED TRUE-UP		
7.	October-15 HEARINGS		
8.	PRINCIPAL		<u>1,289,493</u>
9.	INTEREST		<u>955</u>
			<u>1,290,449</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>1,403,735</u></u>

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED GAS COMPANIES SCHEDULE CT-2
 ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS PAGE 1 OF 3
 ACTUAL VS PROJECTED

FOR MONTHS		January-15	THROUGH	December-15	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	912,507		949,458	(36,951)
2.	Advertisement	948,304		1,111,219	(162,915)
3.	Legal	4,215			4,215
4.	Outside Services	111,291		134,813	(23,522)
5.	Vehicle/Travel	30,327		153,216	(122,889)
6.	Materials & Supplies	12,789		19,272	(6,483)
7.	Travel	103,227			103,227
8.	General & Administrative				
9.	Incentives	4,524,627		3,200,914	1,323,713
10.	Other	120,887		122,660	(1,774)
11.	SUB-TOTAL	6,768,175		5,691,552	1,076,622
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	6,768,175		5,691,552	1,076,622
14.	LESS: PRIOR PERIOD TRUE-UP	1,056,536		1,056,536	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(5,132,261)		(5,458,595)	326,334
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	2,692,450		1,289,493	1,402,956
19.	ADD INTEREST PROVISION	1,734		955	779
20.	END OF PERIOD TRUE-UP	2,694,184		1,290,449	1,403,735

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
 DOCKET NO. 160004-GU
 FLORIDA PUBLIC UTILITIES CO.
 (CDY-1)
 PAGE 2 OF 24

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-15 THROUGH December-15

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Full House Residential New Construction	1,410	24,225			70	35	196		1,055,259	32	1,081,229		1,081,229
2 Residential Appliance Replacement	575	398,649			28	14	80		409,193	97	808,636		808,636
3 Conservation Education	3,419	81,987			196	216	453			28,339	114,610		114,610
4 Space Conditioning													
5 Residential Conservation Survey		5,379		1,834						20,825	28,038		28,038
6 Residential Appliance Retention	657	362,208			41	21	116		563,651	103	926,796		926,796
7 Commercial Conservation Survey		(500)								380	(120)		(120)
8 Residential Service Reactivation	105	85			5	3	15		3,499	2	3,713		3,713
9 Common	906,028	12,954	4,215	31,290	29,971	12,379	102,323		1,931	71,102	1,172,193		1,172,193
10 Conservation Demonstration and Development		395		78,025							78,420		78,420
11 Commercial Small Food Program	314	12,584		143	16	116	44		1,867,736	7	1,880,959		1,880,959
12 Commercial Large Non-Food Service Program		12,584							88,925		101,509		101,509
13 Commercial Large Food Service Program		12,584							364,926		377,510		377,510
14 Commercial Large Hospitality Program		12,584				6			58,968		71,558		71,558
15 Commercial Large Cleaning Service Program		12,584							110,540		123,124		123,124
15 TOTAL ALL PROGRAMS	912,507	948,304	4,215	111,291	30,327	12,789	103,227		4,524,627	120,887	6,768,175		6,768,175

EXHIBIT NO. _____
DOCKET NO. 160004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 3 OF 24

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

FOR MONTHS January-15 THROUGH December-15

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Full House Residential New Construction	(20,000)	(41,518)			(4,196)	(750)	196		316,559	(303)	249,990		249,990
2 Residential Appliance Replacement	(20,000)	(46,762)			(6,080)	(750)	80		25,881	(717)	(48,348)		(48,348)
3 Conservation Education	(22,500)	(28,475)		(500)	(5,203)	(750)	453			3,798	(53,177)		(53,177)
4 Space Conditioning		(2,750)							(2,500)		(5,250)		(5,250)
5 Residential Conservation Survey	(7,500)	(7,266)		1,834	(2,000)	(250)				(9,828)	(25,010)		(25,010)
6 Residential Appliance Retention	(20,000)	(17,514)			(5,117)	(750)	116		94,887	(157)	51,465		51,465
7 Commercial Conservation Survey	(2,500)	(1,300)		(500)	(1,000)	(125)				(2,500)	(7,925)		(7,925)
8 Residential Service Reactivation	(5,000)	(4,965)			(2,015)	(250)	15		(4,475)	(125)	(16,816)		(16,816)
9 Common	75,050	(97)	4,215	(5,832)	(92,660)	(2,088)	102,323		(1,250)	11,183	90,844		90,844
10 Conservation Demonstration and Development				(18,666)							(18,666)		(18,666)
11 Commercial Small Food Program	(7,500)	(2,454)		143	(2,418)	(375)	44		640,377	(625)	627,191		627,191
12 Commercial Large Non-Food Service Program	(1,750)	(2,454)			(550)	(100)			17,473	(625)	11,994		11,994
13 Commercial Large Food Service Program	(1,750)	(2,454)			(550)	(100)			207,332	(625)	201,853		201,853
14 Commercial Large Hospitality Program	(1,750)	(2,454)			(550)	(94)			(13,582)	(625)	(19,055)		(19,055)
15 Commercial Large Cleaning Service Program	(1,750)	(2,454)			(550)	(100)			43,012	(625)	37,533		37,533
5. TOTAL ALL PROGRAMS	(36,951)	(162,915)	4,215	(23,522)	(122,889)	(6,483)	103,227		1,323,713	(1,774)	1,076,622		1,076,622

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

FOR MONTHS		January-15	THROUGH	December-15										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Full House Residential New Construction	19,605	72,825	146,659	107,342	32,886	100,871	56,231	48,090	219,530	117,452	59,896	99,841	1,081,229
2	Residential Appliance Replacement	42,824	69,666	78,232	88,900	38,351	70,294	53,530	75,266	109,695	78,133	38,184	65,561	808,636
3	Conservation Education	11,991	6,604	10,237	6,471	13,026	12,883	9,506	5,861	6,306	13,461	6,549	11,714	114,610
4	Space Conditioning													
5	Residential Conservation Survey	3,465	1,734	1,965	1,734	1,965	2,084	1,965	1,734	3,799	1,734	1,965	3,892	28,038
6	Residential Appliance Retention	47,140	52,319	82,808	107,807	50,609	83,242	80,117	86,314	78,006	111,122	51,653	95,659	926,796
7	Commercial Conservation Survey	(500)				380								(120)
8	Residential Service Reactivation	1,879	(0)	350	350		350		85	350	350			3,713
9	Common	103,642	103,668	102,104	102,058	95,257	86,721	119,718	87,843	88,124	96,208	80,647	106,204	1,172,193
10	Conservation Demonstration and Development	2,404	3,678	1,593	16,412	5,500	2,500	3,000	2,500	25,125	7,709	3,000	5,000	78,420
11	Commercial Small Food Program	113,927	104,778	320,331	121,668	91,553	106,785	178,955	70,221	287,110	131,877	154,052	199,701	1,880,959
12	Commercial Large Non-Food Service Program	2,337	874	10,780	2,615	16,950	21,334	4,100	4,936	2,503	15,213	13,780	6,088	101,509
13	Commercial Large Food Service Program	6,402	7,656	40,214	23,244	18,940	34,576	26,783	13,080	129,252	19,730	7,679	49,954	377,510
14	Commercial Large Hospitality Program	17,070	874	4,557	5,115	9,955	8,417	7,045	3,578	4,935	5,495	145	4,373	71,558
15	Commercial Large Cleaning Service Program	23,301	(5,807)	4,220	14,115	723	4,414	140	1,576	933	58,996	140	20,373	123,124
5. TOTAL ALL PROGRAMS		395,487	418,867	804,050	597,830	376,096	534,470	541,091	401,085	955,669	657,480	417,691	668,359	6,768,175
6. LESS AMOUNT INCLUDED IN RATE BASE														
7. RECOVERABLE CONSERVATION EXPENSES		395,487	418,867	804,050	597,830	376,096	534,470	541,091	401,085	955,669	657,480	417,691	668,359	6,768,175

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-15 THROUGH December-15

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(589,606)	(639,877)	(535,131)	(452,835)	(378,642)	(339,182)	(342,964)	(332,255)	(333,875)	(347,441)	(377,408)	(463,046)	(5,132,261)
3. TOTAL REVENUES	(589,606)	(639,877)	(535,131)	(452,835)	(378,642)	(339,182)	(342,964)	(332,255)	(333,875)	(347,441)	(377,408)	(463,046)	(5,132,261)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	88,041	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	1,056,536
5. CONSERVATION REVENUE APPLICABLE	(501,565)	(551,832)	(447,086)	(364,790)	(290,597)	(251,137)	(254,919)	(244,210)	(245,830)	(259,396)	(289,363)	(375,001)	(4,075,725)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	395,487	418,867	804,050	597,830	376,096	534,470	541,091	401,085	955,669	657,480	417,691	668,359	6,768,175
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(106,078)	(132,965)	356,964	233,040	85,499	283,333	286,172	156,875	709,839	398,084	128,329	293,358	2,692,450
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	68	53	45	57	75	86	95	111	167	201	247	529	1,734
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	1,056,536	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,446,669	1,515,610	2,137,571	2,447,811	2,488,342	1,056,536
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(88,041)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(1,056,536)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,446,669	1,515,610	2,137,571	2,447,811	2,488,342	2,694,184	2,694,184

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-15 THROUGH December-15

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	1,056,536	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,446,669	1,515,610	2,137,571	2,447,811	2,488,342	1,056,536
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	862,417	641,476	910,447	1,055,487	1,052,998	1,248,361	1,446,574	1,515,499	2,137,404	2,447,610	2,488,095	2,693,655	2,692,450
3.	TOTAL BEG. AND ENDING TRUE-UP	1,918,953	1,503,961	1,551,976	1,965,979	2,108,542	2,301,434	2,695,021	2,962,169	3,653,015	4,585,182	4,935,906	5,181,996	3,748,986
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	959,477	751,980	775,988	982,989	1,054,271	1,150,717	1,347,511	1,481,084	1,826,507	2,292,591	2,467,953	2,590,998	1,874,493
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.08%	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.08%	0.10%	0.12%	0.09%	0.15%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.08%	0.10%	0.12%	0.09%	0.15%	0.34%	
7.	TOTAL (LINE C-5 + C-6)	0.17%	0.17%	0.14%	0.14%	0.17%	0.18%	0.17%	0.18%	0.22%	0.21%	0.24%	0.49%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.09%	0.09%	0.07%	0.07%	0.09%	0.09%	0.09%	0.09%	0.11%	0.11%	0.12%	0.25%	
9.	MONTHLY AVERAGE INTEREST RATE	0.007%	0.007%	0.006%	0.006%	0.007%	0.008%	0.007%	0.008%	0.009%	0.009%	0.010%	0.020%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	68	53	45	57	75	86	95	111	167	201	247	529	1,734

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-15 THROUGH December-15

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED GAS COMPANIES
RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

SCHEDULE CT-5
PAGE 1 OF 1

FOR MONTHS January-15 THROUGH December-15

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 160004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 9 OF 24

1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Survey Program
6. Commercial Conservation Survey Program
7. Conservation Education Program
8. Space Conditioning Program
9. Conservation Demonstration and Development Program
10. Commercial Small Food Service Program
11. Commercial Non-Food Service Program
12. Commercial Large Food Service Program
13. Commercial Hospitality and Lodging Program
14. Commercial Cleaning Service and Laundromat Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$150 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 4258 incentives were paid. There were 805 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 745 Tankless Water Heaters, 138 Furnaces, 1312 Ranges and 1257 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$1,081,229**.

PROGRAM TITLE: Residential Appliance Replacement Program

PROGRAM DESCRIPTION: This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$500 Tank Water Heater
\$550 High Efficiency Tank Water Heater
\$675 Tankless Water Heater
\$725 Furnace
\$200 Range
\$150 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 792 incentives were paid. There were 28 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 452 Tankless Water Heaters, 8 Furnaces, 182 Ranges and 122 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$808,636**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 9,152 natural gas hot water heaters.

PROGRAM TITLE: Residential Appliance Retention Program

PROGRAM DESCRIPTION: The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program includes appliances such as furnaces, hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchasing more expensive energy-efficient natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$100 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 1713 incentives were paid. There were 782 Tank Water Heaters, 14 High Efficiency Tank Water Heaters, 362 Tankless Water Heaters, 190 Furnaces, 241 Ranges and 124 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$926,796**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 10,643 natural gas hot water heaters.

PROGRAM TITLE: Residential Service Reactivation Program

PROGRAM DESCRIPTION: This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives of \$350 in the form of cash incentives to residential customers to assist in defraying the additional cost associated with the purchase and installation energy-efficient natural gas appliances.

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 8 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$3,713**.

PROGRAM PROGRESS SUMMARY: FPSC approval of this program occurred on August 29, 2000. We continue to promote this program and believe that our customers will find value in this program.

PROGRAM TITLE: Residential Conservation Survey Program

PROGRAM DESCRIPTION: The objective of the Residential Conservation Service Program is to provide Florida Public Utilities Company's residential customers with energy conservation advice based on a review of their homes actual performance that encourages the implementation of efficiency measures and/or practices resulting in energy savings for the customer. Florida Public Utilities Company views this program as a way of promoting the installation of cost-effective conservation measures. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage.

PROGRAM ACCOMPLISHMENTS: This year a total of 23 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$28,038**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 255 residential customers have participated.

PROGRAM TITLE: Commercial Conservation Survey Program

PROGRAM DESCRIPTION: The Commercial Conservation Service Program is an interactive program that assists commercial customers in identifying energy conservation opportunities. The survey process consists of an on-site review of the customer's facility operation, equipment, and energy usage pattern by a Florida Public Utilities Company Conservation Representative. The representative identifies all areas of potential energy usage reduction as well as identifying end-use technology opportunities. A technical evaluation is then performed to determine the economic payback or life cycle cost for various improvements to the facility. Florida Public Utilities Company will subcontract the evaluation process to an independent engineering firm and/or contracting consultant, if necessary.

PROGRAM ACCOMPLISHMENTS: This year, 5 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$(120)**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 204 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

PROGRAM DESCRIPTION: The purpose of the Conservation Education Program is to educate consumers, businesses, and contractors to make wise energy choices. For consumers to make educated choices they must know the benefits of conserving energy and have a basic understanding of energy as well as the measures and behavioral practices needed to make these choices.

PROGRAM ACCOMPLISHMENTS: This year FPU conducted 18 seminars and events to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$114,610**.

PROGRAM PROGRESS SUMMARY: This program has been successful and we are optimistic that we will continue to be involved in community education and future events.

PROGRAM TITLE: Space Conditioning Program

PROGRAM DESCRIPTION: The program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides a financial incentive to qualified participants to compensate for the higher initial cost of natural gas space conditioning equipment. The program reduces summer as well as winter peak demand and contributes to consumption reduction.

PROGRAM ACCOMPLISHMENTS: There were no participants in this program in 2015.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$0**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2015, FPUC has connected 10 space conditioning projects to its natural gas system.

PROGRAM TITLE: Conservation Demonstration and Development

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 conservation programs offered by Florida Public Utilities Company and give the Company an opportunity to pursue individual and joint research projects as well as the development of new conservation programs. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies.

PROGRAM ACCOMPLISHMENTS: For 2015, Florida Public Utilities conducted research on several projects including CHP technologies.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$78,420**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on March 23, 2010, FPUC has engaged in several research projects using this program.

PROGRAM TITLE: Commercial Small Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of small food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of less than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,000	\$1,500	\$1,000
Tankless	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,000	\$1,500	\$1,000

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 891 incentives were paid. There were 3 Tank Water Heaters, 223 Tankless Water Heaters, 608 Fryers and 57 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$1,880,959**.

PROGRAM PROGRESS SUMMARY: Since inception, 1226 appliances have qualified for this program.

PROGRAM TITLE: Commercial Non-Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of commercial buildings to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial non-food service customers are defined as establishments that are not associated with the Food Service, Hospitality, or Cleaning industries. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,500	\$2,000	\$1,500
Tankless	\$2,000	\$2,500	\$2,000

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 43 incentives were paid. There were 2 Tank Water Heaters and 41 Tankless Water Heater.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$101,509**.

PROGRAM PROGRESS SUMMARY: Since inception, 53 appliances have qualified for this program.

PROGRAM TITLE: Commercial Large Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of large food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial large food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of greater than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,500	\$2,000	\$1,500
Tankless	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,500	\$1,500	\$1,500

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 155 incentives were paid. There were 2 Tank Water Heaters, 27 Tankless Water Heaters, 115 Fryers and 11 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$377,510**.

PROGRAM PROGRESS SUMMARY: Since inception, 236 appliances have qualified for this program.

PROGRAM TITLE: Commercial Hospitality and Lodging Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of hospitality & lodging facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial hospitality and lodging customers are defined as establishments known to the public as hotels, motor hotels, motels or tourist courts, primarily engaged in providing lodging, or lodging and meals, for the general public. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,500	\$2,000	\$1,500
Tankless	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,500	\$1,500	\$1,500
Dryer	\$1,500	\$1,500	\$1,500

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2015 through December 31, 2015, 31 incentives were paid. There were 2 Tank Water Heaters, 21 Tankless Water Heaters, 0 Fryers, 0 Ranges and 8 Dryer.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2015 through December 31, 2015 were **\$71,558**.

PROGRAM PROGRESS SUMMARY: Since inception, 51 appliances have qualified for this program.

PROGRAM TITLE: Commercial Cleaning Service and Laundromat Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of cleaning service & Laundromat facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial cleaning service and laundromat customers are defined as establishments primarily engaged in operating mechanical laundries with steam or other power or in supplying laundered work clothing on a contract or fee basis. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,500	\$2,000	\$1,500
Tankless	\$2,000	\$2,500	\$2,000
Dryer	\$1,500	\$1,500	\$1,500

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2014 through December 31, 2014, 87 incentives were paid. There were 0 Tank Water Heaters, 12 Tankless Water Heaters and 75 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2014 through December 31, 2014 were **\$123,124**.

PROGRAM PROGRESS SUMMARY: Since inception, 103 appliances have qualified for this program.