

Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

August 18, 2016

**E-PORTAL/ELECTRONIC FILING**

Ms. Carlotta 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 Clause***

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit KIL-1 of Ms. Kira I. Lake on behalf of Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation, along with the companies' Joint Petition for Approval of Conservation Cost Recovery Factors.

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. 160004-GU  
Filed: August 18, 2016

**JOINT PETITION OF THE FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA  
PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION, FLORIDA PUBLIC  
UTILITIES COMPANY – FORT MEADE AND FLORIDA DIVISION OF  
CHESAPEAKE UTILITIES CORPORATION FOR APPROVAL OF  
CONSERVATION COST RECOVERY FACTORS**

Florida Public Utilities Company, Consolidated Natural Gas Division (“FPU NG”), Florida Public Utilities Company – Indiantown Division (“Indiantown”), Florida Public Utilities Company – Fort Meade (“Fort Meade”), and Florida Division of Chesapeake Utilities Corporation (“Chesapeake”)(“herein, jointly referred to as “Consolidated Companies”), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submit this Joint Petition to the Commission for approval of the Conservation Cost Recovery Adjustment factors listed herein to be applied to bills rendered for meter readings taken between January 1, 2017 and December 31, 2017. In support hereof, the Consolidated Companies states:

1. The names of the Consolidated Companies and the address of their principal business office is:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities Corporation  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034

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

Beth Keating, Esq  
Gunster, Yoakley & Stewart, P.A.  
215 S. Monroe St., Suite 601  
Tallahassee, FL 32301-1839  
(850) 521-1706  
bkeating@gunster.com

Mike Cassel, Director/Regulatory and  
Governmental Affairs  
Florida Public Utilities Company/Florida  
Division of Chesapeake Utilities  
Corporation  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034  
mcassel@fpuc.com

3. The Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission and reflect consolidated costs for the 2017 projection period. The factors are designed to recover the projected energy conservation program expenses of the Consolidated Companies for the period January 1, 2017 through December 31, 2017, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2016 through December 31, 2016), 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 Consolidated Companies' witness, Ms. Kira I. Lake and Exhibit KIL-1.
4. In addition, the Consolidated Companies are also providing, as Attachment A to this Joint Petition, a revised version of page 11 of Schedule CT-6, the original version of which was included in Exhibit CDY-1 of the Consolidated Companies' May 2, 2016 Final True-Up filing. This revised page is provided for illustrative purposes, as explained in Ms. Lake's testimony, to adjust the number of incentives paid in 2015 to coincide with the expense recorded in 2015.
5. The Consolidated Companies project total energy conservation program expenses of \$5,650,750 for the period January 2017 through December 2017. The projected net true-up is an under-recovery of \$912,104. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$6,562,854 remains to be recovered during the period January 1, 2017 through December 31, 2017. Dividing this total among the Consolidated Companies' 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 Consolidated Companies seek approval in this petition.

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
RESIDENTIAL (FPU, Fort Meade)	\$ 0.13261
COMMERCIAL SMALL (FPU, Fort Meade) CVPD	\$ 0.08015
COMMERCIAL SMALL (FPU) (Gen Srv GS2 & GS Transportation >600)	\$ 0.06255
COMM. LRG VOLUME (FPU, Fort Meade) (Large Vol & LV Transportation <,> 50,000 units)	\$ 0.05098
Natural Gas Vehicles	\$ 0.02456
TS1 (INDIANTOWN DIVISION)	\$ 0.12751
TS2 (INDIANTOWN DIVISION)	\$ 0.01977
TS3 (INDIANTOWN DIVISION)	\$ 0.05049
TS4 (INDIANTOWN DIVISION)	\$ 0.06300
<b><u>CHESAPEAKE</u></b>	
FTS-A	\$ 0.31789
FTS-B	\$ 0.24033
FTS-1	\$ 0.20824
FTS-2	\$ 0.11396
FTS-2.1	\$ 0.08428
FTS-3	\$ 0.07097

FTS-3.1	\$	0.05494
FTS-4	\$	0.04647
FTS-5	\$	0.04069

<u>Rate Class</u>		<u>Adjustment Factor (dollars per therm)</u>
FTS-6	\$	0.03327
FTS-7	\$	0.02370
FTS-8	\$	0.02174
FTS-9	\$	0.01747
FTS-10	\$	0.01707
FTS-11	\$	0.01450
FTS-12	\$	0.01095

The Consolidated Companies also seek approval of the following experimental per bill

Conservation Cost Recovery Adjustment (Experimental) factors for Chesapeake:

<b>Rate Class</b>	<b>ECCR Factor (\$ per bill)</b>
FTS-A	\$2.05
FTS-B	\$2.70
FTS-1	\$3.41
FTS-2	\$6.81
FTS-2.1	\$9.67
FTS-3	\$24.56
FTS-3.1	\$32.81

**WHEREFORE**, Florida Public Utilities Company – Consolidated Natural Gas Division, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation ask that the Commission approve the above Conservation Cost Recovery Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2017 and December 31, 2017, inclusive.

RESPECTFULLY submitted this 18th day of August, 2016.



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

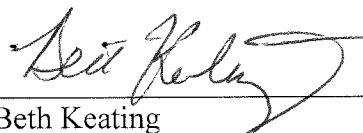
*Attorneys for Florida Public Utilities  
Company, Florida Public Utilities  
Company-Indiantown Division, Florida  
Public Utilities Company-Fort Meade, and  
the Florida Division of Chesapeake Utilities  
Corporation*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the Joint Petition of the Florida Public Utilities Companies and the Florida Division of Chesapeake Utilities Corporation, as well as the Direct Testimony and Exhibits of Ms. Kira I. Lake, has been furnished by electronic mail to the following parties of record this 18th day of August, 2016:

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

<p>AGL Resources Inc. Blake O'Farrow Ten Peachtree Place Location 1686 Atlanta, GA 30309 <a href="mailto:bofarrow@aglresources.com">bofarrow@aglresources.com</a></p>	
---	--



---

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



DOCKET NO. 160004-GU

*Natural Gas Conservation Cost Recovery Clause*

**“ATTACHMENT A”**

To

Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company –  
Indiantown Division, Florida Public Utilities Company – Fort Meade, and the Florida Division  
of Chesapeake Utilities Corporation for Approval of Conservation Cost Recovery Factors

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, 3961 incentives were paid. There were 725 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 717 Tankless Water Heaters, 136 Furnaces, 1217 Ranges and 1165 Dryers.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160004-GU: NATURAL GAS  
CONSERVATION COST RECOVERY

Direct Testimony of  
Kira I. Lake  
On Behalf of

The Florida Public Utilities Company Natural Gas Divisions and the Florida  
Division of Chesapeake Utilities Corporation (“Consolidated Companies”)

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

2 A. Kira I. Lake. My business address is 450 S. Charles Richard Beall Blvd,  
3 DeBary, Florida 32713.

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

5 A. I am employed by Florida Public Utilities Company (FPUC) as the Business  
6 Services Manager.

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

9 A. I graduated from Embry-Riddle Aeronautical University in 2003 with a  
10 Bachelor’s of Science degree in Air Traffic Management and in 2007 with a  
11 Masters of Business Administration degree. I have been employed by FPUC  
12 since 2007, during which time I have served as the manager of the Company’s  
13 Energy Conservation department. I have been responsible for establishing and  
14 managing the Company’s gas conservation programs as well as ensuring  
15 compliance with all Florida Public Service Commission (FPSC) rules as it  
16 pertains to Energy Conservation programs. I am also involved in the  
17 preparation of various conservation program related regulatory filings.

18

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

2 A. To describe generally the expenditures made and projected to be made in  
3 implementing, promoting, and operating the Consolidated Companies' energy  
4 conservation programs. This will include recoverable costs incurred in  
5 January through June 2016 and projections of program costs to be incurred  
6 July through December 2016. It will also include projected conservation  
7 costs, for the period January through December 2017, with a calculation of the  
8 Energy Conservation Cost Recovery Adjustment and Energy Conservation  
9 Cost Recovery Adjustment (Experimental) factors to be applied to the  
10 customers' bills during the collection period of January 1, 2017 through  
11 December 31, 2017.

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

13 A. Yes. On behalf of the Consolidated Companies, I am sponsoring Exhibits  
14 Schedules C-1, C-2, C-3, and C-5 (Composite Prehearing Identification  
15 Number KIL-1), which are attached and included with this testimony.

16 **Q. Have there been any changes in the Conservation filing compared to the**  
17 **prior year?**

18 A. No. Consistent with the procedure in recent years for the Consolidated  
19 Companies, the schedules were prepared this period using consolidated costs  
20 and revenues for Florida Public Utilities Gas Division (FPUC), the Florida  
21 Division of Chesapeake Utilities, the FPUC Ft. Meade Division, and the  
22 FPUC Indiantown Division.

23 **Q. Have the Consolidated Companies made any adjustments since the True-**  
24 **Up Filing of May 2, 2016?**

1 A. Yes. The Consolidated Companies have recently reviewed the expenses  
2 included in its "Other" category on Schedule C-2, page 2, which includes  
3 Memberships & Subscriptions. The Company believes that some of these  
4 expenses are better recognized as "Outside Services" expenses rather than a  
5 Membership or Subscription. The Consolidated Companies' projection of  
6 2017 expenses reflects the changes described above and all 2016 expenses  
7 will be adjusted before the Consolidated Companies' Final 2016 True-Up is  
8 filed.

9 In addition, I would like to explain what may appear to be a discrepancy in the  
10 True-Up filing regarding the incentive amounts identified for the "Residential  
11 New Construction, Program Description and Progress." Schedules CT-2 and  
12 CT-6 of Exhibit CDY-1, which accompanied the testimony of Curtis Young.  
13 As I noted in our responses to Commission Staff's discovery requests, this  
14 difference was due to the fact that certain 2015 expenses were received late in  
15 the year and, consequently, were not included in the Consolidated Companies'  
16 2015 Residential New Construction program expenses. Instead, they were  
17 recorded as 2016 expenses; therefore, we are providing a revised page 11 of  
18 CT-6 as an attachment to our Joint Petition, in which the number of incentives  
19 paid in 2015 has been revised to reflect the appropriate expense recorded in  
20 2015. While recorded for 2016, these costs are otherwise properly included  
21 and recorded. Had these costs been recorded in 2015, the proposed factors for  
22 2017 would have been adjusted slightly higher. However, due to the true-up  
23 and projection process, the accounting error will resolve itself by the time of  
24 the Consolidated Companies' Final True-Up filing in May of 2017 with no

1 adverse impact to customers.

2 **Q. Are there other changes that have occurred since the May 2, 2016 True-**  
3 **Up of which you would like the Commission to be aware?**

4 A. Yes. The Consolidated Companies have also made a concerted effort to  
5 reduce the expenses for the Residential Energy Survey program by changing  
6 the vendor used for the program's energy auditing software. This change will  
7 result in lower Residential Energy Survey program costs for 2017 and in  
8 future years and has been reflected in the filing.

9 **Q. Have you included descriptions and summary information on the**  
10 **Conservation Programs currently approved and available to customers of**  
11 **the Consolidated Companies?**

12 A. Yes, I have included summaries of the approved conservation programs  
13 currently available to our customers in all divisions in C-5 of Exhibit KIL-1.

14 **Q. Has you prepared summaries of its Conservation Programs and the Costs**  
15 **associated with these Programs?**

16 A. Yes, summaries of the Company's Conservation Programs and costs  
17 associated with these programs are included in schedule C-5, which is  
18 included in my Exhibit KIL-1.

19 **Q. What are the total projected costs for the period January 2017 through**  
20 **December 2017 for the Consolidated Companies?**

21 A. The total projected Consolidated Conservation Program Costs are \$5,650,750.  
22 Please see Schedule C-2, page 2, for the programmatic and functional  
23 breakdown of these total costs.

24 **Q. What is the true-up for the period January 2016 through December**

1           **2016?**

2       A.   As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the  
3           Consolidated Companies is an under-recovery of \$912,104.

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

6       A.   The total costs to be recovered are \$6,562,854.

7       **Q.   Have you prepared a schedule that shows the calculation of its proposed**  
8           **Energy Conservation Cost Recovery Adjustment factors to be applied**  
9           **during billing periods from January 1, 2017 through December 31, 2017?**

10      A.   Yes. Schedule C-1 of Exhibit KIL-1 shows these calculations. Net program  
11           cost estimates for the period January 1, 2017 through December 31, 2017 are  
12           used. The estimated true-up amount from Schedule C-3, page 4 of 5, of  
13           Exhibit KIL-1, being an under-recovery, was added to the total of the  
14           projected costs for the 12-month period. The total amount was then divided  
15           among the Consolidated Companies' rate classes, excluding customers who  
16           are on market-based rates that fall under Special Contract Services (Original  
17           Sheet No. 19 for the Florida Division of Chesapeake Utilities) and tariff rate  
18           class FTS-13 for the same division, based on total projected contribution. In  
19           addition, the customer classes for Outdoor Lights, Interruptible and  
20           Interruptible Transportation have always been exempt from the Conservation  
21           Adjustment Factor due to the distinctive service provided by the Company.  
22           The results were then divided by the projected gas throughput for each rate  
23           class for the 12-month period ending December 31, 2017. The resulting  
24           Energy Conservation Cost Recovery Adjustment factors are shown on

1 Schedule C-1 of Exhibit KIL-1.

2 **Q. Why have the Consolidated Companies excluded market-based rate**  
3 **customers from the Energy Conservation Cost Recovery Adjustment**  
4 **factors?**

5 A. These customers are served either under the Special Contract Service or  
6 Flexible Gas Service, because they have alternative fuel or physical bypass  
7 options and are considered by FPUC/Chesapeake to be “market-based rate”  
8 customers. Each of these customers has viable alternatives for service;  
9 therefore the negotiated and Commission-approved (in the case of Special  
10 Contract Service) rates reflect the fact that only a certain level of revenues can  
11 be charged to these customers. In fact, the Consolidated Companies have  
12 always excluded the Special Contract Service and tariff rate class FTS-13  
13 customers from the ECCR recovery factors, consistent with its general rate  
14 proceedings and consistent with the Applicability section of the tariff sheet for  
15 the ECCR factors (Seventh Revised Sheet No. 98).

16 **Q. Have you prepared a schedule that shows the calculation of the Florida**  
17 **Division of Chesapeake Utilities proposed Energy Conservation Cost**  
18 **Recovery Adjustment (Experimental) factors for certain rate classes on**  
19 **an experimental basis to be applied during billing periods from January**  
20 **1, 2017 through December 31, 2017?**

21 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B,  
22 FTS-1, FTS-2, FTS-2.1, FTS-3 and FTS-3.1. A similar calculation was made  
23 as described above for the experimental rates; however, the projected number  
24 of bills for each rate class for the 12-month period ending December 31, 2017



1           was utilized. The resulting Energy Conservation Cost Recovery Adjustment  
2           (Experimental) factors are shown on Schedule C-1, page 3 of 3 of Exhibit  
3           KIL-1.

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

5    A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS  
(FPU, CFG, INDIANTOWN, AND FT. MEADE)  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2017 THROUGH DECEMBER 2017

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 5,650,750
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 912,104
3. TOTAL (LINE 1 AND LINE 2)	\$ 6,562,854

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)	638,100	13,182,999	7,052,381	6,573,446	13,625,827	1,739,456	12.76587%	\$ 0.13195	1.00503	\$ 0.13261
COMMERCIAL SMALL (FPU, Fort Meade) CVPD	14,783	1,738,146	378,031	707,829	1,085,860	138,620	12.76587%	\$ 0.07975	1.00503	\$ 0.08015
COMMERCIAL SMALL (FPU) (Gen Srv GS2 & GS Transportation >600)	35,135	11,103,519	1,082,829	4,329,974	5,412,803	690,992	12.76587%	\$ 0.06223	1.00503	\$ 0.06255
COMM. LRG VOLUME (FPU, Fort Meade) (Large Vol & LV Transportation <, > 50,000 units)	22,175	45,693,710	1,995,750	16,160,037	18,155,787	2,317,745	12.76587%	\$ 0.05072	1.00503	\$ 0.05098
NATURAL GAS VEHICLES	12	59,111	1,200	10,114	11,314	1,444	12.76587%	\$ 0.02443	1.00503	\$ 0.02456
TS1 (INDIANTOWN DIVISION)	8,088	118,274	72,792	44,749	117,541	15,005	12.76587%	\$ 0.12687	1.00503	\$ 0.12751
TS2 (INDIANTOWN DIVISION)	306	79,314	7,650	4,570	12,220	1,560	12.76587%	\$ 0.01967	1.00503	\$ 0.01977
TS3 (INDIANTOWN DIVISION)	12	2,083	720	100	820	105	12.76587%	\$ 0.05023	1.00503	\$ 0.05049
TS4 (INDIANTOWN DIVISION)	12	53,105	24,000	2,076	26,076	3,329	12.76587%	\$ 0.06268	1.00503	\$ 0.06300
CHESAPEAKE (PAGE 2)	204,919	47,290,142	6,868,544	6,092,570	12,961,113	1,654,599	SEE PAGE 2 AND 3			
TOTAL	923,542	119,320,403	17,483,897	33,925,465	51,409,361	6,562,854				

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS  
(FPU, CFG, INDIANTOWN, AND FT. MEADE)  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2017 THROUGH DECEMBER 2017  
CHESAPEAKE NON EXPERIMENTAL

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES COMPANY  
KIL-1  
PAGE 2 OF 26

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	16,295	105,175	\$211,835	\$48,757	\$260,592	33,267	12.76587%	\$ 0.31630	1.00503	\$ 0.31789
FTS-B	27,867	312,933	\$431,939	\$154,232	\$586,171	74,830	12.76587%	\$ 0.23912	1.00503	\$ 0.24033
FTS-1	131,776	2,158,434	\$2,503,744	\$999,571	\$3,503,315	447,229	12.76587%	\$ 0.20720	1.00503	\$ 0.20824
FTS-2	9,862	589,648	\$335,308	\$188,452	\$523,760	66,862	12.76587%	\$ 0.11339	1.00503	\$ 0.11396
FTS-2.1	8,277	949,743	\$331,080	\$292,777	\$623,857	79,641	12.76587%	\$ 0.08386	1.00503	\$ 0.08428
FTS-3	3,401	1,176,678	\$367,308	\$283,603	\$650,911	83,094	12.76587%	\$ 0.07062	1.00503	\$ 0.07097
FTS-3.1	3,810	2,275,311	\$510,540	\$463,777	\$974,317	124,380	12.76587%	\$ 0.05467	1.00503	\$ 0.05494
FTS-4	2,227	2,699,940	\$467,670	\$510,289	\$977,959	124,845	12.76587%	\$ 0.04624	1.00503	\$ 0.04647
FTS-5	429	1,077,421	\$163,020	\$178,636	\$341,656	43,615	12.76587%	\$ 0.04048	1.00503	\$ 0.04069
FTS-6	261	1,450,400	\$156,600	\$219,547	\$376,147	48,018	12.76587%	\$ 0.03311	1.00503	\$ 0.03327
FTS-7	257	2,913,398	\$179,900	\$358,348	\$538,248	68,712	12.76587%	\$ 0.02358	1.00503	\$ 0.02370
FTS-8	253	5,130,600	\$303,600	\$565,597	\$869,197	110,961	12.76587%	\$ 0.02163	1.00503	\$ 0.02174
FTS-9	72	3,212,361	\$144,000	\$293,385	\$437,385	55,836	12.76587%	\$ 0.01738	1.00503	\$ 0.01747
FTS-10	36	2,166,309	\$108,000	\$180,194	\$288,194	36,790	12.76587%	\$ 0.01698	1.00503	\$ 0.01707
FTS-11	60	7,632,263	\$330,000	\$532,503	\$862,503	110,106	12.76587%	\$ 0.01443	1.00503	\$ 0.01450
FTS-12	36	13,439,528	\$324,000	\$822,902	\$1,146,902	146,412	12.76587%	\$ 0.01089	1.00503	\$ 0.01095
TOTAL	204,919	47,290,142	6,868,544	6,092,570	12,961,113	1,654,599	12.76587%			

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS  
(FPU, CFG, INDIANTOWN, AND FT. MEADE)  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2017 THROUGH DECEMBER 2017  
CHESAPEAKE PER BILL BASIS - EXPERIMENTAL

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES COMPANY  
KIL-1  
PAGE 3 OF 26

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	16,295	105,175	\$211,835	\$48,757	\$260,592	\$33,267	12.7659%	\$2.0415	1.00503	\$2.05
FTS-B	27,867	312,933	\$431,939	\$154,232	\$586,171	\$74,830	12.7659%	\$2.6852	1.00503	\$2.70
FTS-1	131,776	2,158,434	\$2,503,744	\$999,571	\$3,503,315	\$447,229	12.7659%	\$3.3939	1.00503	\$3.41
FTS-2	9,862	589,648	\$335,308	\$188,452	\$523,760	\$66,862	12.7659%	\$6.7798	1.00503	\$6.81
FTS-2.1	8,277	949,743	\$331,080	\$292,777	\$623,857	\$79,641	12.7659%	\$9.6219	1.00503	\$9.67
FTS-3	3,401	1,176,678	\$367,308	\$283,603	\$650,911	\$83,094	12.7659%	\$24.4324	1.00503	\$24.56
FTS-3.1	3,810	2,275,311	\$510,540	\$463,777	\$974,317	\$124,380	12.7659%	\$32.6457	1.00503	\$32.81
FTS-4	2,227	2,699,940	\$467,670	\$510,289	\$977,959	\$124,845				
FTS-5	429	1,077,421	\$163,020	\$178,636	\$341,656	\$43,615				
FTS-6	261	1,450,400	\$156,600	\$219,547	\$376,147	\$48,018				
FTS-7	257	2,913,398	\$179,900	\$358,348	\$538,248	\$68,712				
FTS-8	253	5,130,600	\$303,600	\$565,597	\$869,197	\$110,961				
FTS-9	72	3,212,361	\$144,000	\$293,385	\$437,385	\$55,836				
FTS-10	36	2,166,309	\$108,000	\$180,194	\$288,194	\$36,790				
FTS-11	60	7,632,263	\$330,000	\$532,503	\$862,503	\$110,106				
FTS-12	36	13,439,528	\$324,000	\$822,902	\$1,146,902	\$146,412				
TOTAL	204,919	47,290,142	\$6,868,544	\$6,092,570	\$12,961,113	\$1,654,599	12.76587%			

FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION (FPU, CFG, INDIANTOWN & FT. MEADE)  
 ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
 JANUARY 2017 THROUGH DECEMBER 2017

PROGRAM	JAN 2017	FEB 2017	MAR 2017	APR 2017	MAY 2017	JUN 2017	JUL 2017	AUG 2017	SEP 2017	OCT 2017	NOV 2017	DEC 2017	TOTAL
1 Full House Residential New Construction	95,438	95,438	95,438	95,438	95,438	95,438	95,438	95,438	95,438	95,438	95,438	95,438	1,145,250
2 Resid. Appliance Replacement	67,979	67,979	67,979	67,979	67,979	67,979	67,979	67,979	67,979	67,979	67,979	67,979	815,750
3 Conservation Education	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	8,875	106,500
4 Space Conditioning	417	417	417	417	417	417	417	417	417	417	417	417	5,000
5 Residential Conservation Survey	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500
6 Residential Appliance Retention	78,396	78,396	78,396	78,396	78,396	78,396	78,396	78,396	78,396	78,396	78,396	78,396	940,750
7 Commercial Conservation Survey	833	833	833	833	833	833	833	833	833	833	833	833	10,000
8 Residential Service Reactivation	875	875	875	875	875	875	875	875	875	875	875	875	10,500
9 Common	74,458	74,458	74,458	74,458	74,458	74,458	74,458	74,458	74,458	74,458	74,458	74,458	893,500
10 Conserv. Demonstration and Development	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
11 Commercial Small Food Service Program	90,333	90,333	90,333	90,333	90,333	90,333	90,333	90,333	90,333	90,333	90,333	90,333	1,084,000
12 Commercial Large Non-Food Service Program	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	113,250
13 Commercial Large Food Service Program	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	15,688	188,250
14 Commercial Large Hospitality Program	11,521	11,521	11,521	11,521	11,521	11,521	11,521	11,521	11,521	11,521	11,521	11,521	138,250
15 Commercial Large Cleaning Service Program	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	113,250
16 Residential Propane Distribution Program	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
<b>TOTAL ALL PROGRAMS</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>470,896</b>	<b>5,650,750</b>

FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS (FPU,CFG, INDIANTOWN, & FT. MEADE)  
 ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2017 THROUGH DECEMBER 2017

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	60,000	1,250	60,000	1,000,000	10,000	10,000	4,000	1,145,250
2 Resid. Appliance Replacement	0	35,000	750	375,000	400,000	2,500	2,500	0	815,750
3 Conservation Education	0	20,000	1,500	75,000	0	5,000	5,000	0	106,500
4 Space Conditioning	0	0	0	2,500	2,500	0	0	0	5,000
5 Residential Conservation Survey	0	5,000	500	5,000	0	5,000	1,000	0	16,500
6 Residential Appliance Retention	0	35,000	750	325,000	575,000	2,500	2,500	0	940,750
7 Commercial Conservation Survey	0	2,500	500	1,000	0	5,000	1,000	0	10,000
8 Residential Service Reactivation	0	2,500	0	2,500	5,000	0	500	0	10,500
9 Common	0	700,000	7,500	20,000	0	60,000	100,000	6,000	893,500
10 Conserv. Demonstration and Development	0	0	0	0	0	50,000	0	0	50,000
11 Commercial Small Food Service Program	0	50,000	1,000	15,000	1,000,000	4,000	10,000	4,000	1,084,000
12 Commercial Large Non-Food Service Program	0	12,500	250	15,000	75,000	4,000	2,500	4,000	113,250
13 Commercial Large Food Service Program	0	12,500	250	15,000	150,000	4,000	2,500	4,000	188,250
14 Commercial Large Hospitality Program	0	12,500	250	15,000	100,000	4,000	2,500	4,000	138,250
15 Commercial Large Cleaning Service Program	0	12,500	250	15,000	75,000	4,000	2,500	4,000	113,250
16 Residential Propane Distribution Program	0	0	0	0	20,000	0	0	0	20,000
PROGRAM COSTS	<u>0</u>	<u>960,000</u>	<u>14,750</u>	<u>941,000</u>	<u>3,402,500</u>	<u>160,000</u>	<u>142,500</u>	<u>30,000</u>	<u>5,650,750</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)  
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2016 THROUGH JUNE 2016; ESTIMATED JULY 2016 THROUGH DECEMBER 2016

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL (JAN-JUN)	0	5,332	125	49,948	374,613	0	1,465	259	431,743
B. ESTIMATED (JUL-DEC)	0	30,000	750	25,000	380,000	0	4,500	2,500	442,750
C. TOTAL	0	35,332	875	74,948	754,613	0	5,965	2,759	874,493
2 Resid. Appliance Replacement									
A. ACTUAL (JAN-JUN)	0	6,567	163	70,597	140,171	0	1,926	274	219,697
B. ESTIMATED (JUL-DEC)	0	17,500	500	200,000	190,000	0	2,500	1,250	411,750
C. TOTAL	0	24,067	663	270,597	330,171	0	4,426	1,524	631,447
3 Conservation Education									
A. ACTUAL (JAN-JUN)	0	15,189	313	34,500	0	500	3,993	4,219	58,714
B. ESTIMATED (JUL-DEC)	0	6,250	750	37,500	0	0	1,500	10,000	56,000
C. TOTAL	0	21,439	1,063	72,000	0	500	5,493	14,219	114,714
4 Space Conditioning									
A. ACTUAL (JAN-JUN)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (JUL-DEC)	0	0	0	1,250	1,250	0	0	0	2,500
C. TOTAL	0	0	0	1,250	1,250	0	0	0	2,500
5 Residential Conservation Survey									
A. ACTUAL (JAN-JUN)	0	2,409	50	462	0	0	719	33	3,674
B. ESTIMATED (JUL-DEC)	0	6,250	1,000	2,500	0	0	1,500	12,500	23,750
C. TOTAL	0	8,659	1,050	2,962	0	0	2,219	12,533	27,424
6 Residential Appliance Retention									
A. ACTUAL (JAN-JUN)	0	2,425	37	61,722	344,900	0	524	27	409,634
B. ESTIMATED (JUL-DEC)	0	17,500	500	162,500	245,000	0	2,500	250	428,250
C. TOTAL	0	19,925	537	224,222	589,900	0	3,024	277	837,884
7 Commercial Conservation Survey									
A. ACTUAL (JAN-JUN)	0	1,884	59	0	0	0	634	45	2,622
B. ESTIMATED (JUL-DEC)	0	2,500	250	500	0	2,500	500	500	6,750
C. TOTAL	0	4,384	309	500	0	2,500	1,134	545	9,372
SUB-TOTAL	0	113,805	4,497	646,478	1,675,934	3,000	22,261	31,857	2,497,833

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)  
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
ACTUAL JANUARY 2016 THROUGH JUNE 2016; ESTIMATED JULY 2016 THROUGH DECEMBER 2016

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	113,805	4,497	646,478	1,675,934	3,000	22,261	31,857	2,497,833
7a Residential Propane Distribution Program									
A. ACTUAL (JAN-JUN)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (JUL-DEC)	0	0	0	0	10,000	0	0	0	10,000
C. TOTAL	0	0	0	0	10,000	0	0	0	10,000
8 Residential Service Reactivation									
A. ACTUAL (JAN-JUN)	0	0	0	0	350	0	0	0	350
B. ESTIMATED (JUL-DEC)	0	2,500	50	1,250	5,000	0	250	0	9,050
C. TOTAL	0	2,500	50	1,250	5,350	0	250	0	9,400
9 Common									
A. ACTUAL (JAN-JUN)	0	503,156	9,239	4,797	0	3,731	79,278	29,430	629,631
B. ESTIMATED (JUL-DEC)	0	350,000	7,500	10,000	0	25,000	50,000	35,000	477,500
C. TOTAL	0	853,156	16,739	14,797	0	28,731	129,278	64,430	1,107,131
10 Conserv. Demonstration and Development									
A. ACTUAL (JAN-JUN)	0	1,990	41	50	0	18,500	512	32	21,125
B. ESTIMATED (JUL-DEC)	0	0	0	0	0	50,000	0	0	50,000
C. TOTAL	0	1,990	41	50	0	68,500	512	32	71,125
11 Commercial Small Food Service Program									
A. ACTUAL (JAN-JUN)	0	0	0	6,700	714,935	500	0	0	722,135
B. ESTIMATED (JUL-DEC)	0	20,000	500	10,000	750,000	0	2,500	2,500	785,500
C. TOTAL	0	20,000	500	16,700	1,464,935	500	2,500	2,500	1,507,635
12 Commercial Large Non-Food Service Program									
A. ACTUAL (JAN-JUN)	0	0	0	6,700	32,644	500	0	0	39,844
B. ESTIMATED (JUL-DEC)	0	5,000	125	10,000	35,000	0	500	2,500	53,125
C. TOTAL	0	5,000	125	16,700	67,644	500	500	2,500	92,969
13 Commercial Large Food Service Program									
A. ACTUAL (JAN-JUN)	0	0	0	6,700	128,095	500	0	0	135,295
B. ESTIMATED (JUL-DEC)	0	5,000	125	10,000	130,000	0	500	2,500	148,125
C. TOTAL	0	5,000	125	16,700	258,095	500	500	2,500	283,420
14 Commercial Large Hospitality Program									
A. ACTUAL (JAN-JUL)	0	0	0	6,700	53,816	500	0	0	61,016
B. ESTIMATED (AUG-DEC)	0	5,000	125	10,000	50,000	0	500	2,500	68,125
C. TOTAL	0	5,000	125	16,700	103,816	500	500	2,500	129,141
15 Commercial Large Cleaning Service Program									
A. ACTUAL (JAN-JUL)	0	0	0	6,700	44,144	500	0	0	51,344
B. ESTIMATED (AUG-DEC)	0	5,000	125	10,000	25,000	0	500	2,500	43,125
C. TOTAL	0	5,000	125	16,700	69,144	500	500	2,500	94,469
<b>TOTAL</b>	<b>0</b>	<b>1,011,451</b>	<b>22,328</b>	<b>746,076</b>	<b>3,654,917</b>	<b>102,731</b>	<b>156,801</b>	<b>108,820</b>	<b>5,803,123</b>



FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)  
 CONSERVATION PROGRAM COSTS BY PROGRAM  
 ACTUAL/ESTIMATED  
 ACTUAL JANUARY 2016 THROUGH JUNE 2016; ESTIMATED JULY 2016 THROUGH DECEMBER 2016

PROGRAM NAME	-----ACTUAL-----						--- PROJECTION ---						TOTAL
	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	
Full House Residential New Construction	83,211	34,232	31,183	89,431	25,826	167,860	73,792	73,792	73,792	73,792	73,792	73,792	874,495
Resid. Appliance Replacement	40,252	28,478	26,529	38,732	57,020	28,686	68,625	68,625	68,625	68,625	68,625	68,625	631,447
Conservation Education	5,792	10,128	13,848	9,982	5,585	13,378	9,333	9,333	9,333	9,333	9,333	9,333	114,711
Space Conditioning	0	0	0	0	0	0	417	417	417	417	417	417	2,502
Residential Conservation Survey	125	0	1,675	1,406	468	0	3,958	3,958	3,958	3,958	3,958	3,958	27,422
Residential Appliance Retention	73,727	53,448	57,022	55,400	82,666	87,372	71,375	71,375	71,375	71,375	71,375	71,375	837,884
Commercial Conservation Survey	0	0	0	1,687	935	0	1,125	1,125	1,125	1,125	1,125	1,125	9,372
Residential Service Reactivation	350	350	(350)	0	0	0	1,508	1,508	1,508	1,508	1,508	1,508	9,398
Common	95,385	92,777	128,782	100,936	101,713	110,039	79,583	79,583	79,583	79,583	79,583	79,583	1,107,129
Conserv. Demonstration and Development	(2,450)	15,000	1,338	3,000	0	4,237	8,333	8,333	8,333	8,333	8,333	8,333	71,123
Commercial Small Food Service Program	185,809	256,101	126,993	53,509	62,977	36,746	130,917	130,917	130,917	130,917	130,917	130,917	1,507,637
Commercial Large Non-Food Service Program	10,353	7,020	5,639	3,112	11,413	2,307	8,854	8,854	8,854	8,854	8,854	8,854	92,968
Commercial Large Food Service Program	70,181	23,403	7,001	15,017	1,411	18,282	24,688	24,688	24,688	24,688	24,688	24,688	283,423
Commercial Large Hospitality Program	10,353	3,470	10,221	17,153	19,208	611	11,354	11,354	11,354	11,354	11,354	11,354	129,140
Commercial Large Cleaning Service Program	20,360	7,132	5,769	3,112	1,411	13,560	7,188	7,188	7,188	7,188	7,188	7,188	94,472
Residential Propane Distribution Program	0	0	0	0	0	0	1,667	1,667	1,667	1,667	1,667	1,667	10,002
<b>TOTAL ALL PROGRAMS</b>	<b>593,447</b>	<b>531,539</b>	<b>415,649</b>	<b>392,476</b>	<b>370,633</b>	<b>483,077</b>	<b>502,717</b>	<b>502,717</b>	<b>502,717</b>	<b>502,717</b>	<b>502,717</b>	<b>502,717</b>	<b>5,803,123</b>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)  
ENERGY CONSERVATION ADJUSTMENT  
ACTUAL JANUARY 2016 THROUGH JUNE 2016; ESTIMATED JULY 2016 THROUGH DECEMBER 2016

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		- PROJECTION -		- PROJECTION -		- PROJECTION -		- PROJECTION -		TOTAL
	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016			
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)	(770,897)	(780,286)	(724,242)	(619,972)	(534,696)	(499,337)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(7,590,954)
TOTAL REVENUES	(770,897)	(780,286)	(724,242)	(619,972)	(534,696)	(499,337)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(610,254)	(7,590,954)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	2,694,184
CONSERVATION REVS. APPLIC. TO PERIOD	(546,382)	(555,771)	(499,727)	(395,456)	(310,181)	(274,821)	(385,739)	(385,739)	(385,739)	(385,739)	(385,739)	(385,739)	(385,739)	(385,739)	(4,896,770)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	593,447	531,539	415,649	392,476	370,633	483,077	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	5,803,123
TRUE-UP THIS PERIOD	47,066	(24,232)	(84,078)	(2,981)	60,453	208,255	116,978	116,978	116,978	116,978	116,978	116,978	116,978	116,978	906,353
INTEREST THIS PERIOD (C-3,PAGE 5)	738	688	590	524	509	482	450	418	386	354	322	290			5,751
TRUE-UP & INT. BEG. OF MONTH	2,694,184	2,517,472	2,269,413	1,961,410	1,734,438	1,570,884	1,555,106	1,448,019	1,340,900	1,233,749	1,126,566	1,019,351			2,694,184
PRIOR TRUE-UP COLLECT./(REFUND.)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(2,694,184)
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	<u>2,517,472</u>	<u>2,269,413</u>	<u>1,961,410</u>	<u>1,734,438</u>	<u>1,570,884</u>	<u>1,555,106</u>	<u>1,448,019</u>	<u>1,340,900</u>	<u>1,233,749</u>	<u>1,126,566</u>	<u>1,019,351</u>	<u>912,104</u>			<u>912,104</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)  
CALCULATION OF TRUE-UP AND INTEREST PROVISION  
ACTUAL JANUARY 2016 THROUGH JUNE 2016; ESTIMATED JULY 2016 THROUGH DECEMBER 2016

	----- ACTUAL -----						--- PROJECTION ---						TOTAL
	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	
INTEREST PROVISION													
BEGINNING TRUE-UP	2,694,184	2,517,472	2,269,413	1,961,410	1,734,438	1,570,884	1,555,106	1,448,019	1,340,900	1,233,749	1,126,566	1,019,351	
END. T-UP BEFORE INT.	2,516,734	2,268,725	1,960,820	1,733,914	1,570,375	1,554,624	1,447,569	1,340,482	1,233,363	1,126,212	1,019,029	911,814	
TOT. BEG. & END. T-UP	5,210,918	4,786,198	4,230,233	3,695,324	3,304,813	3,125,509	3,002,676	2,788,502	2,574,263	2,359,961	2,145,595	1,931,165	
AVERAGE TRUE-UP	2,605,459	2,393,099	2,115,117	1,847,662	1,652,407	1,562,754	1,501,338	1,394,251	1,287,132	1,179,981	1,072,798	965,582	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.34%	0.34%	0.35%	0.32%	0.36%	0.38%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.34%	0.35%	0.32%	0.36%	0.38%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	
TOTAL	0.68%	0.69%	0.67%	0.68%	0.74%	0.74%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	
AVG INTEREST RATE	0.34%	0.35%	0.34%	0.34%	0.37%	0.37%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	
MONTHLY AVG. RATE	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	
INTEREST PROVISION	\$738	\$688	\$590	\$524	\$509	\$482	\$450	\$418	\$386	\$354	\$322	\$290	\$5,751

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

**SCHEDULE C-5  
PAGE 1 OF 16**

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
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
15. Residential Propane Distribution Program

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 11 OF 26**

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

**SCHEDULE C-5  
PAGE 2 OF 16**

**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 2017, the Company estimates that 3500 new single- and multi-family home appliances will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$1,145,250.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 12 OF 26**

**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 2017, the Company estimates that 750 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 2017, the Company estimates expenses of \$815,750.

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

**SCHEDULE C-5  
PAGE 4 OF 16**

**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 2017, the Company estimates that 2000 appliances will be connected to its system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$940,750.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 14 OF 26**

**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 2017, the Company estimates that 15 services will be reactivated with water heaters on its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$10,500.



**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 2017, the Company estimates that 50 residential customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$16,500.

**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 2017, the Company estimates that 20 commercial customers will participate in this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$10,000.

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

**SCHEDULE C-5  
PAGE 8 OF 16**

**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 PROJECTONS:**

For the twelve-month period of January to December 2017, the Company estimates that 30 adult and youth presentations with 3000 participants will result from this program.

**PROGRAM FISCAL EXPENDITURES:**

During this twelve-month period of January to December 2017, the Company estimates expenses of \$106,500.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 18 OF 26**

**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 2017, the Company estimates that 1 customer projects will utilize this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$5,000.

**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 2017, the Company estimates that it will complete 2 projects under this program.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$50,000.

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

SCHEDULE C-5  
PAGE 11 OF 16

**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.

**PROGRAM ALLOWANCES:**

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

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 600 appliances will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$1,084,000.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 21 OF 26

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

**SCHEDULE C-5  
PAGE 12 OF 16**

**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 and whose annual consumption is greater than 4,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

**PROGRAM ALLOWANCES:**

<b>Appliance</b>	<b>New Construction</b>	<b>Replacement</b>	<b>Retention</b>
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 50 appliances will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$113,250.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 22 OF 26**

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

SCHEDULE C-5  
PAGE 13 OF 16

**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.

**PROGRAM ALLOWANCES:**

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

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 100 appliances will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$188,250.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 23 OF 26



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

**SCHEDULE C-5  
PAGE 14 OF 16**

**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.

**PROGRAM ALLOWANCES:**

<b>Appliance</b>	<b>New Construction</b>	<b>Replacement</b>	<b>Retention</b>
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$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 PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 60 appliances will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$138,250.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 24 OF 26**

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATES NATURAL GAS DIVISION  
PROGRAM DESCRIPTION AND PROGRESS

SCHEDULE C-5  
PAGE 15 OF 16

**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.

**PROGRAM ALLOWANCES:**

<b>Appliance</b>	<b>New Construction</b>	<b>Replacement</b>	<b>Retention</b>
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000
Dryer	\$1,500	\$1,500	\$1,500

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 50 appliance will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$113,250.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 25 OF 26

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

**SCHEDULE C-5  
PAGE 16 OF 16**

**PROGRAM TITLE:**

Residential Propane Distribution Program

**PROGRAM DESCRIPTION:**

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide incentives when natural gas becomes available to the development and the propane appliances are replaced with natural gas appliances.

**PROGRAM ALLOWANCES:**

Furnace or Hydro heater	\$275
Water Heater	\$275
Range	\$75
Dryer	\$75

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2017, the Company estimates that 50 appliance will be connected to its natural gas system.

**PROGRAM FISCAL EXPENDITURES:**

During the twelve-month period of January to December 2017, the Company estimates expenses of \$20,000.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 160004-GU  
FLORIDA PUBLIC UTILITIES CO.  
(KIL-1)  
PAGE 26 OF 26**