

1
2 BEFORE THE
3 FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NO. 110004-GU
5 DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR
6 Projection Filing
7 Direct Testimony of
8 Cheryl M. Martin
9 On Behalf of
10 FLORIDA PUBLIC UTILITIES COMPANY
11 CONSOLIDATED NATURAL GAS DIVISION

12 Q. Please state your name and business address.

13 A. Cheryl M. Martin. My business address is 401 South
14 Dixie Highway, West Palm Beach, Florida 33401-3395.

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

16 A. I am employed by Florida Public Utilities Company
17 (FPUC) as Director of Regulatory Affairs.

18 Q. Can you please provide a brief overview of your
19 educational and employment background?

20 A. I graduated from Florida State University in 1984
21 with a BS degree in Accounting and I am a Certified
22 Public Accountant in the state of Florida.

23 I have been employed by FPUC since 1985. In August
24 2011, I was promoted to my current position,
25 Director of Regulatory Affairs. I have performed
26 various accounting, management and regulatory roles
27 and functions including regulatory accounting (Fuel,
28 PGA, conservation, surveillance reports, regulatory
29 reporting), tax accounting, external reporting as
30 well as corporate accounting. I have been an expert
31 witness for numerous proceedings before the Florida

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FPSC-COMMISSION CLERK

1 Public Service Commission (FPSC).

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

3 A. To advise the Commission as to the Conservation Cost
4 Recovery Clause Calculation for the period January
5 2012 through December 2012.

6 Q. Have you included descriptions and summary
7 information on the Conservation Programs currently
8 approved and available to your customers?

9 A. Yes, the Company has included summaries of the
10 approved conservation programs currently available
11 to our customers in C-5 of Exhibit CMM-1.

12 Q. Were the summaries of the Company's Conservation
13 Programs and the Costs associated with these
14 Programs completed under your direction or review?

15 A. Yes.

16 Q. What are the total projected costs for the period
17 January 2012 through December 2012 in the
18 Consolidated Natural Gas Division?

19 A. The total projected Conservation Program Costs are
20 \$2,907,600. Please see Schedule C-2, page 2, for
21 the programmatic and functional breakdown of these
22 total costs.

23 Q. What is the true-up for the period January 2011
24 through December 2011?

25

1 A. As reflected in the Schedule C-3, Page 4 of 5, the
2 True-up amount for the Consolidated Natural Gas
3 Division is an under-recovery of \$488,957.

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

7 A. The total costs to be recovered are \$3,396,557.

8 Q. What is the Conservation Adjustment Factor necessary
9 to recover these projected net total costs?

10 A. The Conservation Adjustment Factors per therm for
11 the Consolidated Natural Gas Division are:

12 Residential	\$.11041
13 General Service & Transportation (GS1)	\$.06767
14 General Service & Transportation (GS2)	\$.05631
15 Large Volume Service	\$.04395
16 LV Service Transportation <50,000	\$.04395
17 LV Transportation Service >50,000	\$.04395

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

20 A. Yes. I wish to sponsor as Exhibits Schedules C-1,
21 C-2, C-3, and C-5 (Composite Prehearing
22 Identification Number CMM-1), which have been filed
23 with this testimony.

24 Q. Does this conclude your testimony?

25 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2012 THROUGH DECEMBER 2012

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 2,907,600
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 488,957
3. TOTAL (LINE 1 AND LINE 2)	\$ 3,396,557

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	568,884	11,900,000	6,257,724	5,929,532	12,187,256	1,307,283	10.72664%	\$ 0.10986	1.00503	\$ 0.11041
COMMERCIAL SMALL (General Service & GS Transportation <600)	14,448	1,222,794	288,960	478,553	767,513	82,328	10.72664%	\$ 0.06733	1.00503	\$ 0.06767
COMMERCIAL SMALL (General Service & GS Transportation >600)	27,924	7,036,376	921,492	2,753,756	3,675,248	394,231	10.72664%	\$ 0.05603	1.00503	\$ 0.05631
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	22,140	36,877,440	1,992,600	13,042,075	15,034,675	1,612,715	10.72664%	\$ 0.04373	1.00503	\$ 0.04395
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	10.72664%	\$ 0.04373	1.00503	\$ 0.04395
TOTAL	633,396	57,036,610	9,460,776	22,203,916	31,664,692	3,396,557				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	TOTAL
1 Full House Residential New Construction	42,417	42,417	42,417	42,417	42,417	42,417	42,417	42,417	42,417	42,417	42,417	42,413	509,000
2 Resid. Appliance Replacement	51,342	51,342	51,342	51,342	51,342	51,342	51,342	51,342	51,342	51,342	51,342	51,338	616,100
3 Conservation Education	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	117,000
4 Space Conditioning	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
5 Residential Conservation Service	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,083	6,087	73,000
6 Residential Appliance Retention	67,333	67,333	67,333	67,333	67,333	67,333	67,333	67,333	67,333	67,333	67,333	67,337	808,000
7 Commercial Conservation Service	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,087	49,000
8 Residential Service Reactivation	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,462	65,500
9 Common	53,833	53,833	53,833	53,833	53,833	53,833	53,833	53,833	53,833	53,833	53,833	53,837	646,000
TOTAL ALL PROGRAMS	242,299	242,311	2,907,600										

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	112,000	7,000	175,000	210,000	0	3,000	2,000	509,000
2 Resid. Appliance Replacement	0	155,000	12,000	240,000	200,100	0	5,000	4,000	616,100
3 Conservation Education	0	10,000	5,000	90,000	0	10,000	2,000	0	117,000
4 Space Conditioning	0	1,000	0	20,000	3,000	0	0	0	24,000
5 Residential Conservation Service	0	10,000	3,000	40,000	0	20,000	0	0	73,000
6 Residential Appliance Retention	0	255,000	18,000	250,000	260,000	10,000	8,000	7,000	808,000
7 Commercial Conservation Service	0	3,000	1,000	40,000	0	5,000	0	0	49,000
8 Residential Service Reactivation	0	2,000	0	58,250	5,250	0	0	0	65,500
9 Common	0	400,000	35,000	175,000	0	15,000	12,000	9,000	646,000
PROGRAM COSTS	<u>0</u>	<u>948,000</u>	<u>81,000</u>	<u>1,088,250</u>	<u>678,350</u>	<u>60,000</u>	<u>30,000</u>	<u>22,000</u>	<u>2,907,600</u>

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FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED NATURAL GAS DIVISION
 ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 ACTUAL JANUARY 2011 THROUGH JULY 2011; ESTIMATED AUGUST 2011 THROUGH DECEMBER 2011

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL	0	21,255	9,810	13,717	32,624	0	6,238	226	83,870
B. ESTIMATED	0	18,220	7,010	9,800	15,310	0	1,420	158	51,918
C. TOTAL	0	39,475	16,820	23,517	47,934	0	7,658	384	135,788
2 Resid. Appliance Replacement									
A. ACTUAL	0	24,657	2,241	27,320	50,725	0	7,403	282	112,628
B. ESTIMATED	0	21,240	1,600	19,510	36,230	0	1,660	209	80,449
C. TOTAL	0	45,897	3,841	46,830	86,955	0	9,063	491	193,077
3 Conservation Education									
A. ACTUAL	0	13,357	1,271	15,690	0	0	3,806	147	34,271
B. ESTIMATED	0	11,380	910	11,210	0	0	880	99	24,479
C. TOTAL	0	24,737	2,181	26,900	0	0	4,686	246	58,750
4 Space Conditioning									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
5 Residential Conservation Service									
A. ACTUAL	0	0	0	14,657	0	0	0	0	14,657
B. ESTIMATED	0	0	0	9,950	0	0	0	0	9,950
C. TOTAL	0	0	0	24,607	0	0	0	0	24,607
6 Residential Appliance Retention									
A. ACTUAL	0	20,695	1,506	28,123	76,450	0	5,871	223	132,868
B. ESTIMATED	0	17,570	1,080	20,090	54,610	0	1,400	156	94,906
C. TOTAL	0	38,265	2,586	48,213	131,060	0	7,271	379	227,774
 SUB-TOTAL	 0	 148,374	 25,428	 170,067	 265,949	 0	 28,678	 1,500	 639,996

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CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2011 THROUGH JULY 2011; ESTIMATED AUGUST 2011 THROUGH DECEMBER 2011

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	148,374	25,428	170,067	265,949	0	28,678	1,500	639,996
7 Commercial Conservation Service									
A. ACTUAL	0	0	0	14,658	0	0	0	0	14,658
B. ESTIMATED	0	0	0	7,873	0	0	0	0	7,873
C. TOTAL	0	0	0	22,531	0	0	0	0	22,531
8 Residential Service Reactivation									
A. ACTUAL	0	0	0	15,391	0	0	0	0	15,391
B. ESTIMATED	0	0	0	9,493	0	0	0	0	9,493
C. TOTAL	0	0	0	24,884	0	0	0	0	24,884
9 Common									
A. ACTUAL	0	302,048	33,833	717,587	158,866	17,752	70,088	12,524	1,312,698
B. ESTIMATED	0	482,369	23,664	526,817	113,476	14,004	(51,196)	8,948	1,118,082
C. TOTAL	0	784,417	57,497	1,244,404	272,342	31,756	18,892	21,472	2,430,780
TOTAL	0	932,791	82,925	1,461,886	538,291	31,756	47,570	22,972	#REF!

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CONSOLIDATED NATURAL GAS DIVISION
CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
ACTUAL JANUARY 2011 THROUGH JULY 2011; ESTIMATED AUGUST 2011 THROUGH DECEMBER 2011

PROGRAM NAME	----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL						
	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011			
Full House Residential New Construction	21,140	12,136	14,276	2,848	9,582	10,336	13,552	10,384	10,384	10,384	10,384	440,630			566,036
Resid. Appliance Replacement	29,324	23,861	17,993	12,586	8,281	6,051	14,534	16,090	16,090	16,090	16,090	548,428			725,418
Conservation Education	9,647	5,699	9,439	2,667	3,463	1,429	1,926	4,896	4,896	4,896	4,896	102,127			155,981
Space Conditioning	0	0	0	0	0	0	0	0	0	0	0	0			0
Residential Conservation Service	6,147	3,145	6,728	207	(1,585)	0	15	1,990	1,990	1,990	1,990	62,760			85,377
Residential Appliance Retention	28,029	24,957	24,672	13,589	14,897	9,754	16,971	18,981	18,981	18,981	18,981	702,030			910,823
Commercial Conservation Service	5,647	3,645	6,728	207	(1,585)	0	15	1,575	1,575	1,575	1,575	33,174			54,131
Residential Service Reactivation	6,380	3,645	6,728	207	(1,585)	0	15	1,899	1,899	1,899	1,899	57,806			80,792
Common	179,768	59,437	190,113	258,956	211,580	246,766	166,078	223,616	223,616	223,616	223,616	(1,667,529)			539,633
TOTAL ALL PROGRAMS	286,082	136,525	276,677	291,267	243,048	274,336	213,106	279,431	279,431	279,431	279,431	279,426			3,118,191

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
ACTUAL JANUARY 2011 THROUGH JULY 2011, ESTIMATED AUGUST 2011 THROUGH DECEMBER 2011

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011			
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)	(313,692)	(251,494)	(247,662)	(206,102)	(180,856)	(169,241)	(150,326)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(2,461,128)
TOTAL REVENUES	(313,692)	(251,494)	(247,662)	(206,102)	(180,856)	(169,241)	(150,326)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(188,351)	(2,461,128)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(14,004)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(168,015)
CONSERVATION REVS. APPLIC. TO PERIOD	(327,696)	(265,495)	(261,663)	(220,103)	(194,857)	(183,242)	(164,327)	(202,352)	(202,352)	(202,352)	(202,352)	(202,352)	(202,352)	(202,352)	(2,629,143)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	286,082	136,525	276,677	291,267	243,048	274,336	213,106	279,431	279,431	279,431	279,431	279,431	279,426	279,426	3,118,191
TRUE-UP THIS PERIOD	(41,614)	(128,970)	15,014	71,164	48,191	91,094	48,779	77,079	77,079	77,079	77,079	77,079	77,074	77,074	489,048
INTEREST THIS PERIOD (C-3,PAGE 5)	(38)	(53)	(56)	(39)	(24)	(11)	0	8	17	26	35	44	44	44	(91)
TRUE-UP & INT. BEG. OF MONTH	(168,015)	(195,663)	(310,685)	(281,726)	(196,600)	(134,432)	(29,348)	33,432	124,520	215,617	306,723	397,838	397,838	397,838	(168,015)
PRIOR TRUE-UP COLLECT./(REFUND.)	14,004	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	168,015
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	(195,663)	(310,685)	(281,726)	(196,600)	(134,432)	(29,348)	33,432	124,520	215,617	306,723	397,838	488,957	488,957	488,957	488,957

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CONSOLIDATED NATURAL GAS DIVISION
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2011 THROUGH JULY 2011; ESTIMATED AUGUST 2011 THROUGH DECEMBER 2011

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011			
INTEREST PROVISION															
BEGINNING TRUE-UP	(168,015)	(195,663)	(310,685)	(281,726)	(196,600)	(134,432)	(29,348)	33,432	124,520	215,617	306,723	397,838			
END. T-UP BEFORE INT.	(195,625)	(310,632)	(281,670)	(196,561)	(134,408)	(29,337)	33,432	124,512	215,600	306,697	397,803	488,913			
TOT. BEG. & END. T-UP	(363,640)	(506,295)	(592,355)	(478,287)	(331,008)	(163,769)	4,084	157,944	340,120	522,314	704,526	886,751			
AVERAGE TRUE-UP	(181,820)	(253,148)	(296,178)	(239,144)	(165,504)	(81,885)	2,042	78,972	170,060	261,157	352,263	443,375			
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%			
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%			
TOTAL	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.24%	0.24%	0.24%	0.24%	0.24%			
AVG INTEREST RATE	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.12%	0.12%	0.12%	0.12%	0.12%			
MONTHLY AVG. RATE	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%			
INTEREST PROVISION	(\$38)	(\$53)	(\$56)	(\$39)	(\$24)	(\$11)	\$0	\$8	\$17	\$26	\$35	\$44			(\$91)

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

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

<u>PROGRAM:</u>	<u>PROGRAM NUMBER</u>
1. Full House Residential New Construction Program	701
2. Residential Appliance Replacement Program	702
3. Residential Appliance Retention Program	706
4. Residential Service Reactivation Program	713
5. Residential Conservation Service Program	705
6. Commercial Conservation Service Program	710
7. Conservation Education Program	703
8. Space Conditioning Program	704

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

**SCHEDULE C-5
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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 2012 to December 2012, FPUC estimates that 180 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$566,036. Fiscal Expenditures for 2012 are projected to be \$509,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through August, 2011, FPUC has 3,227 single- and multi-family homes to its natural gas system.

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

**SCHEDULE C-5
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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 2012 to December 2012, FPUC estimates that 495 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 from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$725,418. Fiscal Expenditures for 2012 are projected to be \$616,100.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through August, 2011, FPUC has connected 3,442 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

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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 2012 to December 2012, FPUC estimates that 1294 appliances will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$910,823. Fiscal Expenditures for 2012 are projected to be \$808,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August, 2011, FPUC has retained 7,384 natural gas appliances connected to its distributions system.

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 2012 to December 2012, FPUC estimates that 15 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$80,792. Fiscal Expenditures for 2012 are projected to be \$65,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August, 2011 FPUC has reactivated 10 customers with water heaters to its distributions system.

PROGRAM TITLE:

Residential Conservation Service 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 2012 to December 2012, FPUC estimates that 65 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$85,377. Fiscal Expenditures for 2012 are projected to be \$73,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through August, 2011, 257 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

PROGRAM TITLE:

Commercial Conservation Service 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 2012 to December 2012, FPUC estimates that 50 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$54,131. Fiscal Expenditures for 2012 are projected to be \$49,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August, 2011, 153 commercial customers have participated.

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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 2012 to December 2012, FPUC estimates that 35 adult and youth presentations with 600 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$155,981. Fiscal Expenditures for 2012 are projected to be \$117,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August, 2011, FPUC has given 153 adult and youth educational presentations.

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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 2012 to December 2012, FPUC estimates that 2 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period from January 2011 to July 2011 (actuals) and August 2011 through December 2011 (estimated), FPUC estimates expenses of \$0.00. Fiscal Expenditures for 2012 are projected to be \$24,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through August, 2011, FPUC has connected 8 space conditioning projects to its natural gas system.

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